

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

ROBERTS PHARMACEUTICAL CORP

CIK: **853022** | IRS No.: **222429994** | State of Incorporation: **NJ** | Fiscal Year End: **1231**
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SIC: **2834** Pharmaceutical preparations

Mailing Address
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4 INDUSTRIAL WAY WEST
EATONTOWN NJ 07755*

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4 INDUSTRIAL WAY W
EATONTOWN NJ 07724
7326761200*

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 12 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 26, 1999

Roberts Pharmaceutical Corporation

(Exact Name of Registrant as Specified in Charter)

New Jersey

1-1-432

22-2429994

(State or Other Juris-
diction of Incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

Meridian Center II, 4 Industrial Way West, Eatontown, New Jersey

07724

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (732) 676-1200

(Former Name or Former Address, if Changed Since Last Report)

Page 1 of 6 Pages
(Exhibit Index appears on page 6)

Item 5. Other Events.

On July 26, 1999, Roberts Pharmaceutical Corporation, a New Jersey corporation (the "Company"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales ("Parent"), Ruby Acquisition Sub Inc., a New Jersey corporation ("Acquisition Sub") and a direct wholly-owned subsidiary of Parent, and the Company.

Following the satisfaction of the conditions to the consummation of the Merger (as hereinafter defined), Acquisition Sub will be merged with and into the Company, with the Company to continue as the surviving corporation in the

Merger (the "Surviving Corporation"). In the Merger, each issued and outstanding share of the Company's Common Stock, par value \$.01 per share ("Common Stock"), together with the associated Right (as provided pursuant to the Company's Rights Agreement), will be converted into the right to receive from Parent American Depositary Shares ("ADSs") of Parent (represented by American Depositary Receipts ("ADRs") of Parent), each of which represents three Ordinary Shares of Parent ("Parent Ordinary Shares"). The merger consideration is calculated in terms of Parent Ordinary Shares, the value of which is determined by multiplying the price of the ADSs by one-third. The number of Parent Ordinary Shares to which holders of Common Stock will be entitled to receive for each share of Common Stock held (the "Exchange Ratio") will be determined as set forth below:

(a) if the value of one Parent Ordinary Share (i.e., one-third of the average daily closing price per share of Parent's ADSs for the fifteen consecutive trading days ending on the third trading day immediately preceding the date on which the Company's shareholders will vote to approve the Merger ("Parent Share Value")) is equal to or greater than \$7.91, or \$23.73 per ADS, and equal to or less than \$9.67, or \$29.01 per ADS, the Exchange Ratio will be 3.4122, thereby resulting in the shareholders receiving between \$26.99 and \$33.00 per share of Common Stock;

(b) if the Parent Share Value is equal to or greater than \$7.03, or \$21.09 per ADS, and less than \$7.91, or \$23.73 per ADS, the Exchange Ratio shall be determined by dividing \$27.00 by the Parent Share Value, thereby resulting in the shareholders receiving \$27.00 per share of Common Stock;

(c) if the Parent Share Value is less than \$7.03, or \$21.09 per ADS, the Exchange Ratio shall be 3.8407, thereby resulting in the shareholders receiving less than \$27.00 per share of Common Stock;

(d) if the Parent Share Value is greater than \$9.67, or \$29.01 per ADS, and less than or equal to \$10.55, or \$31.65 per ADS, the Exchange Ratio shall be determined by dividing \$33.00 by the Parent Share Value, thereby resulting in the shareholders receiving \$33.00 per share of Common Stock; and

(e) if the Parent Share Value is greater than \$10.55, or \$31.65 per ADS, the Exchange Ratio shall be 3.1280, thereby resulting in the shareholders receiving more than \$33.00 per share of Common Stock.

The Merger is conditioned, among other things, upon the approval of the holders of at least two-thirds of the Common Stock voting at a meeting of the Company's shareholders, and upon the approval of the holders of a majority of Parent Ordinary Shares outstanding present and voting at a meeting of Parent's shareholders. The Merger Agreement also includes a provision for a \$30 million termination fee (the "Termination Fee") that is payable either by the Company or Parent if the transaction is not completed under certain circumstances.

Concurrently with the execution of the Merger Agreement and as a condition and inducement for Parent and Acquisition Sub to enter into the Merger Agreement, the Company and Parent entered into an Option Agreement, dated as of July 26, 1999 (the "Option Agreement"), pursuant to which the Company has granted to Parent an irrevocable option to acquire authorized but unissued shares of Common Stock representing 19.9% of the outstanding shares of Common Stock, which option shall be exercisable upon the occurrence of any event that would entitle Parent to a termination fee under Section 9.2(b) of the Merger Agreement. In the event the option is exercised, the aggregate compensation that Parent may receive from the Termination Fee and any consideration from the sale of Common Stock acquired from the exercise of the option is \$32 million. Furthermore, certain of the Company's shareholders (each, a "Certain Shareholder"), entered into Shareholder Agreements, each dated as of July 26, 1999 with Parent (collectively, the "Parent Shareholder Agreements"), pursuant to which, among other things, the Certain Shareholders have agreed to vote the shares of Common Stock owned by them for the approval and the adoption of the Merger Agreement and the transactions contemplated thereby. As an inducement for the Company to enter into the Merger Agreement, certain shareholders of Parent entered into similar shareholder agreements with the Company (collectively with the Parent Shareholder Agreements, the "Shareholder Agreements").

In addition, on July 26, 1999 the Company entered into an Amendment to Rights Agreement (the "Rights Amendment"), by and between the Company and Continental Stock Transfer & Trust Company, as Rights Agent (the "Rights Agent"), which amends the Company's Rights Agreement, dated as of December 16, 1996 (the "Rights Agreement"), by and between the Company and the Rights Agent. The Rights Amendment provides for (a) the exemption of the events and transactions contemplated by the Merger Agreement from the Rights Agreement and (b) the change of the threshold of share ownership from 15% to 10% in determining whether a holder of Common Stock shall be deemed an "Acquiring Person" under the Rights Agreement.

The Merger Agreement, the Option Agreement, the Rights Amendment and the Shareholder Agreements are attached hereto as Exhibits 2.1, 4.1, 4.2 and 10.1 through 10.6, respectively, and are incorporated herein by reference. The foregoing descriptions of such agreements are qualified in their entirety by reference to those documents filed hereto as exhibits.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.

- 2.1 Agreement and Plan of Merger, dated as of July 26, 1999, by and among Shire Pharmaceuticals Group plc, Ruby Acquisition Sub Inc. and Roberts Pharmaceutical Corporation.
- 4.1 Option Agreement, dated as of July 26, 1999, by and between Roberts Pharmaceutical Corporation and Shire Pharmaceuticals Group plc.
- 4.2 Amendment to Rights Agreement, dated as of July 26, 1999, by and between Roberts Pharmaceutical Corporation and Continental Stock Transfer & Trust Company.
- 10.1 Shareholder Agreement, dated as of July 26, 1999, by and between Robert A. Vukovich and Shire Pharmaceuticals Group plc.
- 10.2 Shareholder Agreement, dated as of July 26, 1999, by and between Yamanouchi Group Holdings Inc. and Shire Pharmaceuticals Group plc.
- 10.3 Shareholder Agreement, dated as of July 26, 1999, by and between HealthCare Ventures II, L.P. and Roberts Pharmaceutical Corporation.
- 10.4 Shareholder Agreement, dated as of July 26, 1999, by and between HealthCare Ventures III, L.P. and Roberts Pharmaceutical Corporation.
- 10.5 Shareholder Agreement, dated as of July 26, 1999, by and between HealthCare Ventures IV, L.P. and Roberts Pharmaceutical Corporation.
- 10.6 Shareholder Agreement, dated as of July 26, 1999, by and between HealthCare Ventures V, L.P. and Roberts Pharmaceutical Corporation.
- 99.1 Joint Press Release of Shire Pharmaceuticals Group plc and Roberts Pharmaceutical Corporation issued July 26, 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ROBERTS PHARMACEUTICAL
CORPORATION

Date: July 26,1999

By: \s\Anthony A. Rascio

Name: Anthony A. Rascio

Title: President and Chief Executive Officer

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ROBERTS PHARMACEUTICAL CORPORATION

EXHIBIT INDEX TO CURRENT REPORT ON FORM 8-K

Exhibit No.	Description
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2.1	Agreement and Plan of Merger, dated as of July 26, 1999, by and among Shire Pharmaceuticals Group plc Ruby Acquisition Sub Inc. and Roberts Pharmaceutical Corporation.
4.1	Option Agreement, dated as of July 26, 1999, by and between Roberts Pharmaceutical Corporation and Shire Pharmaceuticals Group plc.
4.2	Amendment to Rights Agreement, dated as of July 26, 1999, by and between Roberts Pharmaceutical Corporation and Continental Stock Transfer & Trust Company.
10.1	Shareholder Agreement, dated as of July 26, 1999, by and between Robert A. Vukovich and Shire Pharmaceuticals Group plc.
10.2	Shareholder Agreement, dated as of July 26, 1999, by and between Yamanouchi Group Holdings Inc. and Shire Pharmaceuticals Group plc.
10.3	Shareholder Agreement, dated as of July 26, 1999, by and between HealthCare Ventures II, L.P. and Roberts Pharmaceutical Corporation.
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10.5	Shareholder Agreement, dated as of July 26, 1999, by and between HealthCare Ventures IV, L.P. and Roberts Pharmaceutical Corporation.
10.6	Shareholder Agreement, dated as of July 26, 1999, by and between HealthCare Ventures V, L.P. and Roberts Pharmaceutical Corporation.
99.1	Joint Press Release by Shire Pharmaceuticals Group plc and Roberts Pharmaceutical Corporation issued on July 26, 1999.

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AGREEMENT AND PLAN OF MERGER

AMONG

SHIRE PHARMACEUTICALS GROUP plc,

RUBY ACQUISITION SUB INC.

AND

ROBERTS PHARMACEUTICAL CORPORATION

DATED AS OF JULY 26, 1999

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of July 26,

1999, among Shire Pharmaceuticals Group plc, a public limited company organized
under the laws of England and Wales ("Shire"), Ruby Acquisition Sub Inc., a New

Jersey corporation ("Acquisition Sub") and a direct wholly owned Subsidiary of

Shire, and Roberts Pharmaceutical Corporation, a New Jersey corporation
("Roberts").

WHEREAS, the parties hereto desire to consummate a merger (the
"Merger") whereby Acquisition Sub will be merged with and into Roberts and

Roberts will be the surviving corporation in the Merger, all upon the terms and
conditions set forth herein and in accordance with the New Jersey Business
Corporation Act ("New Jersey Law");

WHEREAS, the respective Boards of Directors (or a duly authorized
committee thereof) of each of Shire, Acquisition Sub and Roberts have approved
this Agreement, the Merger and the other transactions contemplated hereby;

WHEREAS, the Merger is intended to be treated as a tax-free
reorganization pursuant to the provisions of Section 368(a)(1)(A) and Section
368(a)(2)(E) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, concurrently with the execution of this Agreement and as a
condition and inducement to Shire and Acquisition Sub to enter into this
Agreement Roberts has granted to Shire an irrevocable option to acquire
authorized but unissued shares of common stock, par value \$.01 per share of
Roberts (the "Common Stock") representing 19.9% of the outstanding shares of
Common Stock as provided in an Option Agreement in the form attached hereto as
Exhibit 1; and

WHEREAS, concurrently with the execution of this Agreement and as a
condition and inducement to the parties to enter into this Agreement, the
persons listed on Schedule 1-A hereto have committed to vote in favor of
approving this Agreement as provided in a Shareholder Agreement in the form
attached hereto as Exhibit 2-A and the entity listed on Schedule 1-B hereto has
committed to vote in favor of approving this Agreement as provided in a
Shareholder Agreement in the form attached hereto as Exhibit 2-B.

NOW, THEREFORE, in consideration of the premises and the representations, warranties and agreements herein contained, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1. Definitions. For all purposes of this Agreement, except as

otherwise expressly provided or unless the context otherwise requires, the terms defined in this Article have the meanings assigned to them in this Article:

"Acquisition Sub" has the meaning set forth in the preamble hereto.

"Agreement" has the meaning set forth in the preamble hereto.

"Business Day" means a day other than a Saturday, a Sunday or a day on

which banks in New York, New York or London, England are permitted or required by law to close.

"Cash Equivalents" means (a) cash, (b) marketable direct obligations

issued by the United States government or any agency thereof and backed by the full faith and credit of the United States, in each case maturing within three months from the date of acquisition thereof, and (c) investments in money market funds which invest substantially all of their assets in assets of the types described in clauses (a) and (b) of this definition.

"CERCLA" has the meaning set forth in Section 3.1(x)(v).

"Certificate of Merger" has the meaning set forth in Section 2.2.

"Closing" has the meaning set forth in Section 2.2.

"Closing Date" has the meaning set forth in Section 2.2.

"Code" has the meaning set forth in the preamble hereto.

"Common Stock" has the meaning set forth in the preamble hereto.

"Constituent Corporations" has the meaning set forth in Section 2.1.

"DEA" has the meaning set forth in Section 3.1(w).

"Depository" has the meaning set forth in Section 2.5(f).

"DOJ" has the meaning set forth in Section 3.1(w)

"Effective Time" has the meaning set forth in Section 2.2.

"Employment Obligations" has the meaning set forth in Section 3.1(q).

"Environmental Law" means CERCLA, the Resource Conservation and

Recovery Act of 1976, as amended, the New Jersey Industrial Site Recovery Act ("ISRA"), the Illinois Responsible Property Transfer Act ("RPTA"), the

Toxic Substances Control Act, as amended, and any other applicable federal, state, local or foreign statute, rule, regulation, order, judgment, directive, decree or the common law regulating, relating to, or imposing liability or standards of conduct concerning air emissions, water discharges, noise emissions, or exposure to or the release or threatened release or discharge of any Hazardous Material into the environment, the generation, handling, use, treatment, storage, transport, disposal or remediation of any Hazardous Material, or otherwise concerning pollution or the protection of the outdoor or indoor environment, (including, without limitation, ambient or indoor air, surface water, groundwater, soil, subsurface strata and natural resources, including, without limitation, wetlands, flora and fauna, or public or employee health or safety, or the experimental use of animals or disposal of animal carcasses).

"Environmental Permit" means any permit, license, approval, consent or

other authorization by a federal,

state, local or non-U.S. government or regulatory entity pursuant to any

Environmental Law.

"Equity Equivalent" has the meaning set forth in Section 3.1(c).

"ERISA" has the meaning set forth in Section 3.1(q).

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as

amended.

"Exchange Agent" has the meaning set forth in Section 2.6(b).

"Exchange Ratio" has the meaning set forth in Section 2.5(a).

"FDA" has the meaning set forth in Section 3.1(w).

"Filed SEC Documents" has the meaning set forth in Section 3.1(i).

"Form F-4" has the meaning set forth in Section 3.1(h).

"Form F-6" has the meaning set forth in Section 8.1.

"FSA" means The Financial Services Act 1986 of the United Kingdom.

"Hazardous Material" means any pollutant, contaminant, or hazardous,

toxic, medical, biohazardous, infectious or dangerous waste, substance, constituent or material, any asbestos, any petroleum, oil (including crude oil or any fraction thereof), any radioactive substance, animal carcass, any toxin, chemical, virus, infectious disease or disease-causing agent, or any other substance, waste, constituent, chemical or material that can give rise to liability under any Environmental Law.

"Holders" means the holders of record of certificates of Common Stock

as of the Effective Time.

"Indebtedness" means with respect to any entity (a) all obligations

for borrowed money, (b) all obligations evidenced by bonds, debentures, notes or other similar

instruments, (c) all obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction, (d) all obligations secured by a Lien on property or assets of such entity, (e) financing leases which would be treated as debt under either US GAAP or UK GAAP and (f) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (a) through (e) above.

"Intellectual Property" has the meaning set forth in Section

3.1(s) (i).

"knowledge" will be deemed to be present as to Roberts when the matter

in question was actually known by an officer of Roberts identified on

Schedule 2-A attached hereto and will be deemed to be present as to Shire

when the matter in question was actually known by an officer of Shire identified on Schedule 2-B attached hereto.

"Lien" means any lien, claim, pledge, assignment, hypothecation,

conditional sale, retention of title, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind other than a mechanic's, warehousemen's or similar statutory lien or any agreement to provide any of the foregoing.

"LSE" means The London Stock Exchange.

"MCA" has the meaning set forth in Section 3.1(w).

"Merger" has the meaning set forth in the preamble hereto.

"Merger Consideration" has the meaning set forth in Section 2.5(a).

"New Jersey Law" has the meaning set forth in the preamble hereto.

"Option" means a right and option to purchase one share of Common

Stock which was granted pursuant to either of the Roberts Option Plans.

"Optionee" has the meaning set forth in Section 6.1.

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"Ordinary Shares" means validly issued, fully paid and nonassessable

ordinary shares, with a nominal value of U.K. five pence each, of Shire.

"Permits" means all approvals, authorizations, qualifications,

consents, licenses, franchises, orders and other permits of all governmental or regulatory agencies or bodies, whether federal, state, local or non-U.S.

"Permitted Lien" means (i) any Lien for Taxes not yet due or

delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with US GAAP or UK GAAP, as the case may be, (ii) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent and (iii) any minor imperfection of title or similar Lien which individually or in the aggregate with other such Liens does not materially impair the value of the property subject to such Lien or the use of such property in the conduct of the business of Roberts or Shire, as the case may be, or any of its Subsidiaries.

"Proxy Statement" means a proxy statement relating to the approval by

the shareholders of Roberts of this Agreement (as amended or supplemented from time to time).

"Public UK Documents" has the meaning set forth in Section 3.2(i).

"Rights" means the Rights issued pursuant to the Rights Agreement.

"Rights Agreement" means the Rights Agreement, dated as of December

16, 1996, between Roberts and Continental Stock Transfer and Trust Company, as amended through the date hereof.

"Roberts" has the meaning set forth in the preamble hereto.

"Roberts Acquisition Transaction" has the meaning set forth in Section

4.6(a).

"Roberts Disclosure Schedule" has the meaning set forth in Section

3.1.

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"Roberts Governmental Approvals" has the meaning set forth in Section

3.1(f).

"Roberts Insurance Policies" has the meaning set forth in Section

3.1(t).

"Roberts Intellectual Property" has the meaning set forth in Section

3.1(s) (i).

"Roberts Material Adverse Effect" means any condition, change or

effect that is materially adverse to the business, results of operations or financial condition of Roberts and its Subsidiaries taken as a whole, but excluding conditions, changes or effects that (a) are caused by general economic conditions or conditions affecting the pharmaceutical industry as a whole, whether in the United States or internationally, which conditions do not affect Roberts and its Subsidiaries in a disproportional manner or (b) are related to or result from any action or inaction on the part of Shire or any of its affiliates.

"Roberts Option Plans" means Roberts' Incentive Stock Option Plan,

Equity Incentive Plan, Restricted Stock Option Plan and Employee Stock Purchase Plan.

"Roberts Product Sites" has the meaning set forth in Section

3.1(x) (v).

"Roberts Shareholder Approval" has the meaning set forth in Section

3.1(d).

"Roberts Shareholders Meeting" has the meaning set forth in Section

8.2.

"Roberts Superior Proposal" has the meaning set forth in Section

4.6(b).

"Roberts Third Party Approvals" has the meaning set forth in Section

3.1(f).

"Roberts Third Party Site" has the meaning set forth in Section

3.1(x) (vi). "SARs" has the meaning set forth in Section 3.1(c).

"SEC" means the Securities and Exchange Commission.

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"SEC Documents" has the meaning set forth in Section 3.1(g).

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Shareholder Protection Act" means Chapter 10A of the New Jersey Law.

"Shire" has the meaning set forth in the preamble hereto.

"Shire Acquisition Transaction" has meaning set forth in Section 5.6.

"Shire ADRs" means the American Depositary Receipts representing the

Shire ADSs issued pursuant to a Deposit Agreement, dated as of April 1,
1998, between Shire and the Depositary.

"Shire ADSs" means American Depositary Shares, each representing three

Ordinary Shares, of Shire.

"Shire Disclosure Schedule" has the meaning set forth in Section 3.2.

"Shire Governmental Approvals" has the meaning set forth in Section

3.2(f).

"Shire Insurance Policies" has the meaning set forth in Section

3.2(t).

"Shire Intellectual Property" has the meaning set forth in Section

3.2(s) (i).

"Shire Material Adverse Effect" means any condition, change or effect

that is materially adverse to the business, results of operations or financial condition of Shire and its Subsidiaries taken as a whole, but excluding conditions, changes or effects that (a) are caused by general economic conditions or conditions affecting the pharmaceutical industry as a whole, whether in the United Kingdom or internationally, which conditions do not affect Shire and its Subsidiaries in a disproportionate manner or (b) are related to or result from any action or inaction on the part of Roberts or any of its affiliates.

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"Shire Option Plans" means Shire's SHL Scheme, SPC Scheme, Executive

Scheme (Part A and Part B), Sharesave Scheme, Employee Stock Purchase Plan, Pharmavene Stock Option Plan and Richwood Stock Option Plan, collectively.

"Shire Product Sites" has the meaning set forth in Section 3.2(x) (v).

"Shire Share Value" means one-third of the average of the last

reported sale price per Shire ADR on the Nasdaq National Market over the fifteen consecutive trading days ending on the third trading day immediately preceding the Closing Date.

"Shire Shareholder Approval" has the meaning set forth in Section

3.2(d).

"Shire Shareholders Meeting" has the meaning set forth in Section 8.3.

"Shire Superior Proposal" has the meaning set forth in Section 5.6(b).

"Shire Third Party Approvals" has the meaning set forth in Section

3.2(f).

"Shire Third Party Site" has the meaning set forth in Section

3.2(x) (vi).

"Subsidiary" of any person means (i) any corporation of which the

outstanding capital stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such person or (ii) any other person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such person.

"Surviving Corporation" has the meaning set forth in Section 2.1.

"Tax" or "Taxes" means (i) all federal, state, local or non-U.S.
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taxes, charges, fees, imposts, levies or other assessments, including, without limitation, all net income, alternative minimum, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise,

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profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, customs duties, fees, assessments and charges of any kind whatsoever, (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any taxing authority in connection with any item described in clause (i) and (iii) all transferee, successor, several or contractual liability in respect of any items described in clause (i) or (ii).

"Tax Returns" means all returns, declarations, reports, estimates,

information returns and statements required to be filed in respect of any Taxes.

"UK Disclosure Documents" means the documentation necessary for the

implementation of this Agreement including a circular to Shire's shareholders containing (i) a notice convening an extraordinary general meeting of Shire at which a resolution will be proposed to approve the allotment of share capital necessary to give effect to this Agreement, and (ii) such other information as required by applicable law, together with a U.K. prospectus and forms of proxy.

"UK GAAP" has the meaning set forth in Section 3.2(g).

"UK Prospectus" means a prospectus prepared in accordance with the FSA

with respect to the Ordinary Shares.

"US GAAP" has the meaning set forth in Section 3.1(g).

ARTICLE II

THE MERGER; CONVERSION AND EXCHANGE OF STOCK

2.1. Merger. At the Effective Time, in accordance with and subject

to the terms and conditions of this Agreement and New Jersey Law, Acquisition Sub shall be merged with and into Roberts and Roberts shall continue its corporate existence under New Jersey Law as the surviving corporation (Acquisition Sub and Roberts are sometimes referred to herein collectively as

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the "Constituent Corporations," and Roberts, as the surviving corporation in the

Merger, is sometimes referred to herein as the "Surviving Corporation").

2.2. Effective Time. Subject to the provisions of this Agreement,

the parties agree to cause to be duly executed a Certificate of Merger (the "Certificate of Merger"), which shall be duly delivered to the Secretary of

State for the State of New Jersey for filing as provided by New Jersey Law. The Merger shall become effective upon the filing of the Certificate of Merger with the Secretary of State for the State of New Jersey (the "Effective Time").

Prior to such filings of the Certificate of Merger, a closing (the "Closing")

will be held at the offices of Cahill Gordon & Reindel, 80 Pine Street, New York, New York 10005, which shall be on the second Business Day after the satisfaction or waiver of the conditions set forth in Article VII hereof, unless another time, date or place is agreed by the parties hereto or unless this Agreement has been terminated in accordance with its terms. The date of the Closing shall be referred to herein as the "Closing Date." The parties agree

that the Effective Time shall occur on the Closing Date.

2.3. Effects of the Merger. At the Effective Time, (a) the effects

of the Merger shall be as provided under all applicable provisions of New Jersey Law, (b) the Certificate of Incorporation of Roberts as in effect immediately prior to the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation until thereafter amended as provided therein and in accordance with New Jersey Law, (c) the By-Laws of Roberts as in effect immediately prior to the Effective Time shall be the By-Laws of the Surviving Corporation until thereafter amended as provided therein and in accordance with New Jersey Law, (d) the individuals listed on Schedule 3-A shall be the officers

of the Surviving Corporation until the earlier of their resignation or removal or until their successors have been duly elected and qualified in accordance with the Certificate of Incorporation and By-Laws of the Surviving Corporation, and (e) the individuals listed on Schedule 3-B shall be the directors of the

Surviving Corporation until the earlier of their resignation or removal or until their successors have been duly elected and qualified in accordance with the Certificate of Incorporation and By-Laws of the Surviving Corporation.

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2.4. Further Assurances. If, at any time after the Effective Time,

the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, obligation, title or interest in, to or under any of the rights, properties or assets of either of the Constituent Corporations as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of each of the Constituent Corporations or otherwise, all such deeds, bills of sale, assignments and assurances and to take and do, in the name and on behalf of each of the Constituent Corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, obligation, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out this Agreement so long as such actions and things are consistent with the terms of this Agreement and the Certificate of Merger.

2.5. Merger Consideration. (a) At the Effective Time, by virtue

of the Merger and without any action on the part of the Holders, each issued and outstanding share of Common Stock (other than shares canceled in accordance with Section 2.5(d)) together with the associated Right shall be converted into the right to receive from Shire a number of Ordinary Shares (the "Merger

Consideration") determined as set forth below (the "Exchange Ratio"):

(i) If the Shire Share Value is equal to or greater than \$7.91 and equal to or less than \$9.67, the Exchange Ratio shall be 3.4122;

(ii) If the Shire Share Value is equal to or greater than \$7.03 and less than \$7.91, the Exchange Ratio shall be determined by dividing \$27.00 by the Shire Share Value;

(iii) If the Shire Share Value is less than \$7.03, the Exchange Ratio shall be 3.8407;

(iv) If the Shire Share Value is greater than \$9.67 and less than or equal to \$10.55, the Exchange Ratio shall be determined by dividing \$33.00 by the Shire Share Value; and

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(v) If the Shire Share Value is greater than \$10.55, the Exchange Ratio shall be 3.1280.

(b) Each issued and outstanding share of capital stock of Acquisition Sub shall be canceled.

(c) In consideration of the cancellation of shares of capital stock of Acquisition Sub pursuant to Section 2.5(b) and the issuance of Ordinary Shares pursuant to Section 2.5(a), the Surviving Corporation shall issue one fully paid and nonassessable share of its common stock, par value \$.01 per share, to Shire for each share canceled pursuant to Section 2.5(b).

(d) Each share of Common Stock (and associated Rights) that is owned by Roberts or any Subsidiary of Roberts, or Shire or any Subsidiary of Shire, shall automatically be canceled and retired and shall cease to exist, and no Ordinary Shares or other consideration shall be delivered in exchange therefor.

(e) The parties acknowledge that listing of the Ordinary Shares comprising the Merger Consideration on the London Stock Exchange will not be permitted unless and until this Agreement is unconditional in all respects, including the filings of the Certificate of Merger having taken place as provided for in Section 2.2. The parties therefore agree that, without prejudice to Articles VII, VIII and IX of this Agreement, once the Ordinary Shares have been allotted, they shall use their respective best efforts to procure that filings of the Certificate of Merger takes place immediately before 9:30 a.m. (New York time) on the Closing Date, and that the Ordinary Shares to be issued pursuant to this Agreement are admitted to the Official List of the London Stock Exchange at 2:30 p.m. (London time).

(f) Notwithstanding Section 2.5(a), unless the Holders otherwise elect, Shire will provide Holders with one-third of a Shire ADS (represented by Shire ADRs) for each Ordinary Share such Holder would be entitled to receive pursuant to Section 2.5(a). Holders must irrevocably elect to receive all or any portion of their Ordinary Shares as Ordinary Shares in lieu of such Shire ADSs at the time they surrender their certificates representing shares of Common Stock in accordance with the provisions described in Section 2.6. The receipt of Shire ADSs will be deemed for all purposes of this Agreement as the receipt of the underlying Ordinary Shares and such Shire ADSs

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will be deemed for all purposes of this Agreement to constitute Merger Consideration. Shire will pay all fees and expenses associated with the issuance

of the Ordinary Shares constituting Shire ADSs to Morgan Guaranty Trust Company of New York, as depositary (the "Depositary"), for the issuance by the

Depositary of the associated Shire ADRs.

(g) Shire shall not be required to pay any fractional Ordinary Shares or Shire ADSs pursuant to this Section 2.5. In lieu of receiving a fractional Ordinary Share or Shire ADS, each Holder otherwise entitled to (i) a fractional Ordinary Share shall receive cash (without interest) in an amount equal to (a) the latest closing mid-market price of the Ordinary Shares on the London Stock Exchange on the day immediately following the Closing Date divided by (b) the fractional interest of an Ordinary Share that would otherwise be payable and (ii) a fractional Shire ADS shall receive cash (without interest) in an amount equal to (a) the last reported sale price of Shire ADRs on the Nasdaq National Market for the day immediately following the Closing Date divided by (b) the fractional interest of a Shire ADS that would otherwise be payable.

2.6. Exchange Provisions. (a) At the Effective Time, all shares

of Common Stock (and associated Rights), by virtue of the Merger and without any action on the part of the Holders, shall no longer be outstanding and shall be canceled and retired and shall cease to exist, and each Holder of a certificate representing any such share of Common Stock shall thereafter cease to have any rights with respect to such share of Common Stock (and associated Right) except the right to receive the Merger Consideration for such share of Common Stock (and associated Right) specified in Section 2.5.

(b) Prior to the Effective Time, Shire shall designate a bank or trust company reasonably satisfactory to Roberts to act as Exchange Agent hereunder (the "Exchange Agent"). At the Effective Time, Shire shall (i) issue

to and deposit with the Depositary, for the benefit of the holders of shares of Common Stock converted into Shire ADSs in accordance with Sections 2.5(a) and (f), Ordinary Shares in an amount sufficient to permit the Depositary to issue Shire ADSs representing the number of Shire ADSs issuable pursuant to Sections 2.5(a) and (f) and (ii) deposit, in trust, with the Exchange Agent for the benefit of the Holders, Ordinary Shares constituting the Merger Consideration. As soon as practicable after the Effective

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Time, the Surviving Corporation shall cause the Exchange Agent to mail to each Holder (i) a form of letter of transmittal specifying that delivery shall be effected, and risk of loss and title to certificates of Common Stock shall pass, only upon proper delivery of such certificates to the Exchange Agent and (ii) instructions for use in surrendering such certificates in exchange for the Merger Consideration set forth in Section 2.5. Such letter of transmittal shall also indicate that Holders have an irrevocable right to elect to receive all or any portion of their Ordinary Shares as Ordinary Shares in lieu of Shire ADSs as set forth in Section 2.5(f). Upon surrender of any such certificate for

cancellation to the Exchange Agent, together with such letter of transmittal, duly executed, the holder of such certificate shall be entitled to receive in exchange therefor the Merger Consideration. Shire shall cause the Depositary to issue Shire ADRs through and upon the instructions of the Exchange Agent, for the benefit of the holders of shares of Common Stock who have not elected to receive Ordinary Shares pursuant to Section 2.5(f). Neither the Exchange Agent nor any party hereto shall be liable to any Holder for any amount paid to a public official pursuant to any applicable abandoned property, escheat or similar law. Shire and the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Holder such amounts as the Surviving Corporation or the Exchange Agent is required to deduct and withhold under the Code or any provision of national, state or local law, with respect to the making of such payment. To the extent such amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Holder in respect of whom such deduction and withholding was made. Any Merger Consideration payable to Holders pursuant to Section 2.5 which remains undistributed to the Holders for a period of six months after the Closing Date shall be delivered to the Surviving Corporation upon its request, and any Holders who have not surrendered to the Exchange Agent certificates for Common Stock or complied with the instructions in the letter of transmittal, as the case may be, shall thereafter look only to the Surviving Corporation for payment of such Merger Consideration. The Surviving Corporation shall instruct the Exchange Agent to invest all cash held by it in Cash Equivalents. Interest earned on such Cash Equivalents shall be paid to the Surviving Corporation.

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(c) Until so surrendered, each certificate representing Common Stock shall represent, after the Effective Time, solely the right to receive the Merger Consideration specified in Section 2.5. The Merger Consideration issued upon the surrender of Common Stock in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such Common Stock (and associated Rights).

2.7. Consideration for Ordinary Shares. The consideration for the

allotment by Shire of Ordinary Shares constituting the Merger Consideration shall be the cancellation of all shares of Common Stock pursuant to Section 2.6(a).

2.8. Tax-Free Reorganization. For U.S. income tax purposes, the

parties intend that the Merger be treated as a tax-free reorganization pursuant to the provisions of Section 368(a)(1)(A) and Section 368(a)(2)(E) of the Code. Each party hereto agrees not to take any position inconsistent with the foregoing on any Tax Return, unless required by law.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1. Representations and Warranties of Roberts. Roberts represents

and warrants to Shire and Acquisition Sub that, except (A) as set forth in the Roberts Disclosure Schedule delivered by Roberts to Shire at or prior to the execution of this Agreement (the "Roberts Disclosure Schedule") (each section of

which qualifies the correspondingly numbered representation and warranty) and (B) with respect to paragraphs (j), (m), (o), (p), (q), (r), (t), (w), (x) and (y) of this Section 3.1, as does not have, or could not reasonably be expected to have, individually or in the aggregate, a Roberts Material Adverse Effect, the following is true and correct:

(a) Organization; Standing and Power. Roberts is a corporation duly

organized, validly existing and in good standing under the laws of the State of New Jersey. Roberts has all requisite corporate power and authority to own, lease and operate its assets and to carry on its business as now being conducted. Roberts is duly qualified as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of

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its assets owned or leased or the nature of its activities makes such qualification necessary (such jurisdictions being specified in Section 3.1(a) of the Roberts Disclosure Schedule) except where the failure to be so qualified would not have a Roberts Material Adverse Effect. Copies of the Certificate of Incorporation and By-Laws of Roberts as in effect on the date hereof have been previously delivered to Shire.

(b) Subsidiaries and Investments. Section 3.1(b) of the Roberts

Disclosure Schedule lists each Subsidiary of Roberts. Each such Subsidiary is a corporation duly organized, validly existing and (in applicable jurisdictions) in good standing under the laws of its jurisdiction of incorporation. Each such Subsidiary has all requisite corporate power and authority to own, lease and operate its assets and to carry on its business as now being conducted. All such Subsidiaries are duly qualified as foreign corporations to do business, and (in applicable jurisdictions) are in good standing, in each jurisdiction where the character of their respective assets owned or leased or the nature of their respective activities makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a Roberts Material Adverse Effect. All the outstanding shares of capital stock of each such Subsidiary have been validly issued and are fully paid (and in applicable jurisdictions, nonassessable) and are owned by Roberts, by another Subsidiary of Roberts or by Roberts and another such Subsidiary, free and

clear of all Liens, other than Liens which (individually or in the aggregate) would not have a Roberts Material Adverse Effect. Except for the capital stock of its Subsidiaries, Roberts does not own any stock, partnership or other equity interest in, or any debt or equity securities of, any person or entity.

(c) Capitalization. The authorized capital stock of Roberts

consists of 110,000,000 shares of capital stock, including 10,000,000 shares of Class B Preferred Stock par value \$.10 per share (of which 5,500,000 shares have been designated as Series B 5% Convertible Preferred Stock, all of which have been converted into Common Stock), 500,000 shares of Series A Junior Participating Preferred Stock par value \$.10 per share and 100,000,000 shares of Common Stock. At the close of business on July 21, 1999

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(i) 31,889,077 shares of Common Stock were issued and outstanding, (ii) 387,594 shares of Common Stock were held by Roberts in its treasury, (iii) 3,353,188 shares of Common Stock were reserved for issuance on exercise of outstanding options under the Roberts Option Plans, (iv) 150 shares of Common Stock were reserved for issuance upon the exercise of the warrant issued to A.B. Laffer, V.A. Canto & Associates and (v) 500,000 shares of Series A Junior Participating Preferred Stock were reserved for issuance under the Rights Agreement and no other shares of capital stock were issued, reserved for issuance or outstanding. All outstanding shares of capital stock of Roberts are, and all shares which are reserved for issuance will be, when issued in accordance with the Roberts Option Plans, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. Except as set forth above, as of the date of this Agreement, there are not any securities convertible into or exchangeable or exercisable for capital stock ("Equity Equivalent") of any

of Roberts or any of its Subsidiaries (including, without limitation, any option, warrant, right to subscribe, call or commitment of any kind or character whatsoever requiring the issuance, sale or transfer by Roberts or any of its Subsidiaries of any shares of their capital stock or any securities convertible into or exchangeable or exercisable for such capital stock). As of the date of this Agreement, there are not any outstanding contractual obligations of Roberts or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of Roberts or any of its Subsidiaries. Roberts has delivered to Shire a complete and correct copy of the Rights Agreement as amended and supplemented to the date of this Agreement. There are no outstanding stock appreciation, phantom stock, profit participation or similar rights (collectively, "SARs") with respect to Roberts. Roberts has delivered to

Shire a complete list of all outstanding Indebtedness of Roberts and its Subsidiaries.

(d) Authority. Roberts has the requisite corporate power and

authority to execute and deliver this Agreement and, subject to Roberts Shareholder Approval (as defined below) and the receipt of the consents and waivers set forth in Section 3.1(d) of the Roberts Disclosure Schedule, to consummate the transactions contemplated by this Agreement to be consummated by Roberts. The execution and

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delivery of this Agreement by Roberts and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Roberts, subject to the approval of this Agreement and the transactions contemplated hereby by the affirmative vote of holders of at least two-thirds of the shares of Common Stock voted at a meeting (the "Roberts Shareholder Approval"). This Agreement has been

duly executed and delivered by Roberts and constitutes a valid and binding obligation of Roberts, enforceable against Roberts in accordance with its terms, subject to applicable bankruptcy, insolvency moratorium or other similar laws relating to creditors' rights and general principles of equity.

(e) Noncontravention. Neither the execution and delivery of this

Agreement by Roberts nor the consummation of the transactions contemplated hereby nor compliance by Roberts with any of the provisions hereof will (i) violate, conflict with or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, could constitute a default) under, or result in the termination, modification or suspension of, or accelerate the performance required by, or result in a right of termination or acceleration under, or result in the creation of any Lien upon, right to acquire or obligation to dispose of any of the properties, assets or rights of Roberts or any of its Subsidiaries under, any of the terms, conditions or provisions of (x) the Certificate of Incorporation or By-Laws of Roberts or any of its Subsidiaries or (y) any note, bond, mortgage, credit agreement, indenture, deed of trust, license, Permit, authorization, lease, agreement or instrument or obligation to which Roberts or any of its Subsidiaries is party or by which they are bound or to which they or any of their assets may be subject, or (ii) violate any judgment, ruling, order, writ, injunction, decree, statute, rule or regulation applicable to Roberts or any of its Subsidiaries, their operations or any of their assets, except for such violations, conflicts or breaches referred to in clauses (i)(y) and (ii) which would not, individually or in the aggregate, have a Roberts Material Adverse Effect.

(f) Government Approval; Consents. No consents and approvals are

required to be obtained by Roberts from non-governmental third parties

in order to lawfully and contractually permit it to perform its obligations under this Agreement and consummate the transactions contemplated hereby. No notice to, filing with, or authorization, consent or approval of, any federal, state, local or non-U.S. public body or authority is necessary for the execution, delivery or performance of this Agreement by Roberts or the consummation of the transactions contemplated hereby ("Roberts Governmental Approvals").

(g) SEC Documents. (i) Roberts has filed all required reports,

schedules, forms, statements and other documents with the SEC since January 1, 1998 (the "SEC Documents"). As of their respective dates, the SEC

Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Documents, and none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of Roberts included in the SEC Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") (except, in the case of unaudited

statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present the consolidated financial position of Roberts and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

(ii) Roberts is eligible to use Form S-3 for the filing of a registration statement with the SEC under the Securities Act.

(h) Information Supplied. None of the information supplied or to be supplied by Roberts for inclusion or

incorporation by reference in (i) the registration statement on Form F-4 to be filed with the SEC by Shire in connection with the issuance of Ordinary Shares and Shire ADSs in the Merger (the "Form F-4") will, at the time the Form F-4 is filed with the SEC, at any time it is amended or

supplemented or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the UK Disclosure Documents will, on the date the UK Disclosure Documents are first mailed to the shareholders of Shire or at the time of the Shire shareholders meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading or (iii) the Proxy Statement will, at the date it is first mailed to Roberts shareholders or at the time of the Roberts Shareholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder, except that no representation is made by Roberts with respect to statements made or incorporated by reference therein based on information supplied by Shire.

(i) Absence of Certain Changes or Events. Except as disclosed in

the SEC Documents filed and publicly available prior to the date of this Agreement (the "Filed SEC Documents"), since December 31, 1998 there has

not been (i) any material adverse change in the business, financial condition or results of operations of Roberts and its Subsidiaries, taken as a whole, (ii) any destruction or loss of (whether or not covered by insurance) any property, asset or right that has had or is likely to have a Roberts Material Adverse Effect, (iii) any authorization or issuance by Roberts of any of its capital stock or the issuance of any debt security or other evidence of Indebtedness of Roberts or any of its Subsidiaries, (iv) any redemption or other acquisition by Roberts of any of its capital stock or by Roberts or any of its Subsidiaries of

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any of their debt securities or other evidences of Indebtedness, or any payment made with respect to any of the foregoing (other than any regular, periodic payment of interest made with respect to a debt security or other evidence of Indebtedness), (v) any declaration, setting aside or payment of any dividend or other distribution or payment (whether in cash, capital stock or otherwise) in respect of any capital stock of Roberts, (vi) any disposal or lapse of any Roberts Intellectual Property, (vii) any Lien (other than a Permitted Lien) incurred on any material property, assets or

rights of Roberts or any of its Subsidiaries, (viii) any incurrence by Roberts or any of its Subsidiaries of any liability which has had or is likely to have a Roberts Material Adverse Effect, (ix) any incurrence of Indebtedness or any guarantee by Roberts or any of its Subsidiaries of any liability of any other person or entity outside of the ordinary course of business, (x) to the knowledge of Roberts, any development with respect to regulatory approval of any products of Roberts or any of its Subsidiaries which has had or is likely to have a Roberts Material Adverse Effect, (xi) to the knowledge of Roberts, any development with respect to relationships with any contract manufacturer or contract research organization with which Roberts or any of its Subsidiaries has a business relationship which has had or is likely to have a Roberts Material Adverse Effect or (xii) any change in Roberts' Tax accounting methods, any new election made with respect to Taxes, any modification or revocation of any existing election made with respect to Taxes, or any settlement or other disposition of any Tax matter.

(j) Compliance with Law. Neither Roberts nor any of its

Subsidiaries is in violation or noncompliance in any material respect with any statute, law, ordinance, regulation, rule, order or other legal requirement of any government, authority or any other governmental department or agency applicable to its business or operations, or any judgment, decree or order of any court to which it is a party.

(k) Affiliate Arrangements . Neither Roberts nor any of its

Subsidiaries is a party to any contract, agreement, arrangement, understanding or other commitment with any director, officer or securityholder of Roberts or any

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of its Subsidiaries or, to the knowledge of Roberts, any person or entity controlled by any such person.

(l) Transaction Fees. Roberts has not retained any broker, finder,

financial adviser, investment banker or other person or entity which is entitled to any brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

(m) Litigation. There is no claim, action, suit or proceeding

pending or, to the knowledge of Roberts, threatened against Roberts or any of its Subsidiaries or any of their respective properties, assets or rights before any court or governmental or regulatory authority or body.

(n) Taxes and Tax Returns. (i) Roberts has duly and timely filed

all federal, state, local and non-U.S. Tax Returns required to be filed by it and its Subsidiaries, and each such Tax Return is complete and accurate in all material respects, (ii) Roberts has timely paid all Taxes due and payable by it and its Subsidiaries and has made adequate provision (through a current accrual on its most recent financial statements) for any Taxes that are not yet due and payable and (iii) Roberts has withheld and paid in a timely manner all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party, including amounts of or the value of awards and prizes paid to Roberts' employees. Any deficiencies or assessments asserted in writing by any taxing authority have been paid or fully settled and no issue raised by any such taxing authority reasonably could be expected to result in a proposed deficiency for any prior, parallel or subsequent period (including periods subsequent to the Effective Time). There are no claims or assessments pending (or, to the best knowledge of Roberts, threatened) against Roberts or any of its Subsidiaries for any alleged federal, state, local or non-U.S. Tax deficiency and no issue has been raised in writing by any federal, state, local or non-U.S. taxing authority or representative thereof. No consent has been filed relating to Roberts pursuant to Section 341 of the Code. No claim has ever been made by an authority in a jurisdiction where Roberts does not file Tax Returns that it is or may be

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subject to taxation by that jurisdiction. Section 3.1(n) of the Roberts Disclosure Schedule lists all federal, state, local and non-U.S. jurisdictions in which Roberts files Tax Returns, and indicates those Tax Returns that have been audited and those that currently are the subject of audit. Roberts has not consented to an extension of the statute of limitations with respect to any Tax period. Roberts is not a party to any Tax allocation or sharing agreement. Roberts (i) has never been a member of an "affiliated group" (within the meaning of Section 1504 of the Code) and has never been a member of any combined, consolidated, affiliated or unitary group for any state, local or non-U.S. Tax purposes and (ii) has no liability for the Taxes of any person under Treas. Reg. (S) 1.1502-6 (or any similar provision of state, local or non-U.S. law), as a transferee or successor, by contract, or otherwise. Roberts has never had any "undistributed personal holding company income" (as defined in Section 545 of the Code). Roberts is not required to make any adjustment pursuant to Section 481 of the Code (or any comparable provision of state, local or non-U.S. law) by reason of a change in accounting method or otherwise. Roberts has never requested a ruling from, or entered into a closing agreement with, the Internal Revenue Service or any other taxing authority. None of Roberts' assets is "tax-exempt use property" (as defined in Section 168(h)(1) of the Code) or may be treated as owned by any other person pursuant to Section 168(f)(8) of the Internal Revenue Code of 1954 (as in effect immediately prior to the enactment of the Tax Reform Act of 1986). Roberts is not a party to any agreement or arrangement that provides for the payment of any amount that could constitute a "parachute payment"

within the meaning of Section 280G of the Code. Roberts is not, and has never been, a "United States real property holding corporation" within the meaning of Section 897 of the Code. Roberts has not made any elections under Section 108, 168, 338, 441, 472, 1017, 1033 or 4977 of the Code (or any predecessor provisions thereof). Roberts has previously delivered to Shire true and complete copies of (i) all federal, state, local and non-U.S. income or franchise Tax Returns for each of the last three taxable years ending prior to the date of this Agreement (except for those Tax Returns that have not yet been filed) and (ii) any audit reports issued within the last three years

by the Internal Revenue Service or any other taxing authority.

(o) Real Property. Section 3.1(o) of the Roberts Disclosure

Schedule sets forth a complete and accurate list of all material real property owned or leased by Roberts or any of its Subsidiaries, including (i) with respect to owned real property, the date of its acquisition, any Liens on or with respect to such real property (other than Permitted Liens), the name of the holder of any such Lien and the amount and nature of any obligation secured by any such Lien and (ii) with respect to leased real property, the name of the lessor of such real property, a list of all instruments and documents governing the terms of such leasehold interest, any Lien on or with respect to such leasehold interest (other than Permitted Liens), the name of the holder of any such Lien and the amount and nature of any obligation secured by any such Lien. Roberts is not a lessor with respect to any material real property owned by it or any of its Subsidiaries and has not granted any sublease of any leasehold interest in any material real property leased by it or any of its Subsidiaries. With respect to such material real property, (i) there are no eminent domain proceedings pending or threatened against it, (ii) such properties and the improvements thereon (including the roof and structural portions of each building) are in good operating order and condition, subject to ordinary wear and tear, and (iii) the use thereof does not violate any zoning or similar land use laws or other government regulations other than such violations which, individually or in the aggregate, would not adversely affect the ability of the Surviving Corporation to use, operate or occupy any of such properties following the Effective Time. The real property owned or leased by Roberts and its Subsidiaries is sufficient for the conduct of its business.

(p) Licenses, Permits and Authorizations. Section 3.1(p) of the

Roberts Disclosure Schedule sets forth a complete and accurate list of all material Permits held by or on behalf of Roberts and its Subsidiaries, including (i) the agency or body issuing such Permit, (ii) the person or entity to whom such Permit was issued and (iii) the date such Permit

expires or is required to be renewed. Each such Permit is, to the knowledge of Roberts, in full

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force and effect and Roberts, or the person or entity who holds such Permit on Roberts' behalf, is in compliance in all material respects with all of its obligations with respect thereto, and, to the knowledge of Roberts, no event has occurred or condition exists which permits or, upon the giving of notice or lapse of time or both, would permit revocation, nonrenewal, modification, suspension or termination of any such Permit.

(q) ERISA and Employee Matters. Section 3.1(q) of the Roberts

Disclosure Schedule sets forth a complete and accurate list of all employment and consultancy agreements, all employee benefit plans (within the meaning of Section 3(3) of ERISA) or retirement benefits scheme (within the meaning of Section 611 of the Income and Corporation Taxes Act 1988) and all other written plans, arrangements or policies relating to stock options, stock purchases, compensation, deferred compensation, supplemental retirement arrangements, other incentive programs, severance, fringe benefits or other employee benefits (collectively "Employment Obligations")

covering all present and former officers, directors, employees, consultants and agents of Roberts and its Subsidiaries and any of their spouses or dependents. Roberts has made available to Shire true, complete and correct copies of (i) each such Employment Obligation, (ii) the most recent annual report on Form 5500 as filed with the Internal Revenue Service with respect to each applicable Employment Obligation, (iii) the most recent summary plan description (or similar document) with respect to each applicable Employment Obligation, (iv) each trust agreement and insurance or annuity contract relating to any Employment Obligation and (v) the most recent actuarial valuation report for each applicable Employment Obligation. (i) Roberts and its Subsidiaries are in compliance in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code with respect to each

Employment Obligation, (ii) except for PBGC premiums, all of which that are due have been paid, neither Roberts nor any of its Subsidiaries has material liability under Title IV of ERISA, (iii) neither Roberts nor any of its Subsidiaries has engaged in a prohibited transaction or breach of fiduciary duty that would subject it to a material tax imposed under Section 4975 of the Code or material liability

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pursuant to Section 409 or 502 of ERISA, (iv) neither Roberts nor any of its Subsidiaries has been a party to or contributed to any "multiemployer plan" as defined in Section 4001(a) of ERISA, (v) no pension plan covering any present or former officers, directors or employees of Roberts or any of

its Subsidiaries is or has been subject to Title IV of ERISA, (vi) except for liability for contributions and benefits pursuant to the Employment Obligations, neither Roberts nor any of its Subsidiaries has incurred any material liability under or pursuant to Title I or IV of ERISA or the penalty, excise tax or joint and several liability provisions of the Code relating to employee benefit plans and (vii) except claims for benefits payable in the normal operation of such Employment Obligations, there are no investigations by any governmental agency, termination proceedings or other claims, suits or proceedings against or involving any such Employment Obligation or asserting any rights to or claims for benefits under any such Employment Obligation. In respect of any Employment Obligations benefiting Roberts UK employees, (i) the only benefits provided are defined contribution benefits and no promise, assurance or undertaking has been given to any of the employees (whether legally binding or not) as to the provision of retirement, death or disability benefits at a particular level, (ii) there are not in respect of any retirement benefits scheme or the benefits under it any actions, suits or claims pending or threatened (other than routine claims or benefits) against the trustees or administrators of that scheme or against Shire. Each Employment Obligation of Roberts and its Subsidiaries (if any) that is intended to be a tax-qualified plan has been the subject of a determination letter from the Internal Revenue Service to the effect that such Employment Obligation and each related trust is qualified and exempt from Federal income taxes under Sections 401(a) and 501(a), as applicable, respectively, of the Code, no such determination letter has been revoked, and revocation has not been threatened and no event has occurred and no circumstances exist that would reasonably be expected to adversely affect the tax qualification of such Employment Obligation. Each of the Employment Obligations with respect to employees or former employees employed by Roberts or any of its Subsidiaries outside of the United States are in compliance in all material respects with all applicable law (including, where applicable, Article 141 of the Treaty of

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Rome) and, to the extent not mandated by the laws of the applicable jurisdiction, copies of the applicable written plan document have been made available to Shire.

(r) Labor Relations. (i) There is no unfair labor practice

complaint pending against Roberts or any of its Subsidiaries or, to the knowledge of Roberts, threatened against them, before the National Labor Relations Board or any other U.S. or non-U.S. governmental or regulatory authority, and, to the knowledge of Roberts, no grievance or arbitration proceeding arising out of or under any of their Employment Obligations is so pending against Roberts or any of its Subsidiaries or threatened against them; (ii) to the knowledge of Roberts, there is no basis for an unfair labor practice finding against Roberts or any of its Subsidiaries; (iii) no strike, labor dispute, slowdown or stoppage is pending or, to the knowledge

of Roberts, threatened against Roberts or any of its Subsidiaries; and (iv) no union has ever represented any employee of Roberts or any of its Subsidiaries.

(s) Intellectual Property Rights. (i) Section 3.1(s) of the

Roberts Disclosure Schedule sets forth a complete and accurate list (including registration numbers and dates of filing, renewal and termination, where applicable, for each jurisdiction where filed) of all patents, patent applications, trademarks, trademark registrations and applications, copyrights, copyright applications, service marks, service mark registrations and applications and trade names (whether or not registered or registrable) ("Intellectual Property") owned by Roberts or

any of its Subsidiaries which is material to Roberts and its Subsidiaries, taken as a whole ("Roberts Intellectual Property"), including any Liens

thereon, the name of the holder of any such Lien and the amount and nature of any obligation secured by any such Lien. All Roberts Intellectual Property is owned by Roberts or its Subsidiaries free and clear of all Liens, no Roberts Intellectual Property has been canceled, abandoned or otherwise terminated and all patent applications, trademark applications and copyright applications included in Roberts Intellectual Property have been duly filed and are recorded on the public record in the name of Roberts or one of its Subsidiaries and all renewal fees have been duly paid other than where such action would not have a Roberts Material Adverse Effect.

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Neither Roberts nor any of its Subsidiaries has granted any license or other rights with respect to any Roberts Intellectual Property to any other person or entity.

(ii) Roberts has no knowledge that any of its or its Subsidiaries' granted patents are invalid; to the knowledge of Roberts, no Roberts Intellectual Property is being infringed by any third party in any material respect; and, to the knowledge of Roberts, its current operations do not infringe a granted patent of a third party in any material respect.

(iii) Neither Roberts nor any of its Subsidiaries has any license or other rights with respect to any Intellectual Property owned by any other person or entity.

(iv) All technology, processes, techniques and methods of manufacture used in or necessary to the manufacturing or research operations of Roberts and its Subsidiaries, except to the extent the same are in the public domain, are subject to valid and effective confidentiality agreements between Roberts and its employees, have been memorialized to the extent required by good manufacturing practice and, to

the knowledge of Roberts, are the subject of no claim, whether or not asserted, that their use or employment by Roberts or any of its Subsidiaries violates the rights of any person.

(t) Insurance. Section 3.1(t) of the Roberts Disclosure Schedule

sets forth (i) a complete and accurate list of all policies of insurance of Roberts and its Subsidiaries currently in force, including surety bonds or other credit support therefor (the "Roberts Insurance Policies"), the

current annual premiums for each Roberts Insurance Policy, the types of risk covered and limits of coverage and (ii) a description of claims experience of Roberts (x) in the twelve months immediately preceding the date hereof with respect to all matters and (y) since its incorporation with respect to product liability matters, matters arising by reason of clinical trials, environmental matters and workmen's compensation. All Roberts Insurance Policies are in full force and effect and all premiums due thereon have been paid. Roberts has complied in all material respects with the terms and provisions of the Roberts Insurance Policies. Roberts has never applied

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for and been refused or denied any policy of insurance with respect to product liability matters, matters arising by reason of clinical trials, environmental matters and workmen's compensation. Roberts' insurance coverage is adequate in kind and amount based on current industry practice.

(u) Books and Records. (i) The books of account and other

financial records of Roberts and its Subsidiaries that have been made available to Shire prior to the date hereof or are made available thereafter are or will be true, complete and correct in all material respects and do not and will not contain any omissions which, in light of the circumstances in which they are made, are materially misleading.

(ii) The minute books and other records of Roberts and its Subsidiaries that have been made available to Shire prior to the date hereof or are made available thereafter contain records of all meetings of Roberts and its Subsidiaries prior to the date hereof and prior to the Effective Time, respectively, are or will be accurate in all material respects and reflect accurately in all material respects all other corporate action of the shareholders and directors and any committees of the Board of Directors of Roberts and its Subsidiaries.

(v) Undisclosed Liabilities. Except as set forth in the Filed SEC

Documents and except for liabilities and obligations incurred in the ordinary course of business consistent with past practice and U.S. GAAP, neither Roberts nor any of its Subsidiaries has any liabilities or

obligations of any nature (whether accrued, absolute, contingent or otherwise) required by US GAAP to be set forth on a consolidated balance sheet of Roberts and its consolidated Subsidiaries or in the notes thereto and which, individually or in the aggregate, could reasonably be expected to have a Roberts Material Adverse Effect.

(w) FDA, DEA Matters. Section 3.1(w) of the Roberts Disclosure

Schedule sets forth a complete and accurate list of (i) each investigational new drug filing made by Roberts or any of its Subsidiaries with the U.S. Food and Drug Administration (the "FDA") or any non-U.S.

equivalent (including, without limitation, the U.K. Medicines Control

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Agency (the "MCA") and Health Protection Branch of the Ministry of Health

of Canada), (ii) each clinical trial protocol submitted by Roberts or any of its Subsidiaries to the FDA or any non-U.S. equivalents, (iii) each new drug application and abbreviated or supplemental new drug application filed by Roberts or any of its Subsidiaries pursuant to the Federal Food, Drug and Cosmetic Act, as amended, or any non-U.S. equivalents, (iv) each product license application filed by Roberts or any of its Subsidiaries pursuant to the Public Health Service Act, as amended, or any non-U.S. equivalents and (v) each establishment license application filed with respect to any product of Roberts or any of its Subsidiaries under the Public Health Service Act, as amended, or any non-U.S. equivalents. (i) There are no lawsuits, arbitrations, legal or administrative or regulatory proceedings, charges, complaints or investigations by the FDA, the U.S. Drug Enforcement Agency (the "DEA"), the U.S. Department of Justice (the

"DOJ") or any state or non-U.S. regulatory agency pending or, to the best

knowledge of Roberts, threatened against or relating to Roberts, any of its Subsidiaries or any of their products, (ii) there have been no product recalls or similar actions by Roberts or any of its Subsidiaries, (iii) each clinical trial with respect to products of Roberts and its Subsidiaries has been conducted in accordance with its clinical trial protocol and applicable regulations and Roberts or one of its Subsidiaries has filed all required notices (and made available to Shire copies thereof) of adverse drug experiences, injuries or deaths relating to clinical trials of such products, and Roberts or one of its Subsidiaries has filed all required notices of any such occurrence, (iv) to the best knowledge of Roberts, all clinical trials have been and are being conducted in substantial compliance with all applicable good clinical practice regulations, (v) neither Roberts nor any of its Subsidiaries nor, to the best knowledge of Roberts, any of their respective officers, employees or agents has made an untrue statement of material fact or fraudulent statement to the FDA, the MCA, the DEA or other regulatory agencies, failed

to disclose a material fact required to be disclosed to any of them or committed an act, made a statement or failed to make a statement that could reasonably be expected to provide a basis for any of them to invoke the policy respecting "Fraud, Untrue Statements of Material Facts, Bribery and

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Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or equivalent regulations, (vi) there are no unresolved reports, warning letters or other documents received from or issued by the FDA, the MCA, the DEA or other regulating agencies that indicate or suggest material lack of compliance with applicable regulatory requirements by Roberts, any of its Subsidiaries or persons providing services for the benefit of any of them, (vii) to the best knowledge of Roberts, no person has filed a claim for loss or potential loss under any indemnity covering participants in clinical trials of products of Roberts and its Subsidiaries, (viii) to Roberts' knowledge, no material modifications to the process by which products of Roberts or any of its Subsidiaries that have been or are being used in clinical trials are manufactured will be necessary in order to manufacture commercial quantities of such products, (ix) as to each drug of Roberts or any of its Subsidiaries for which a new drug application or abbreviated new drug application has been approved by the FDA or other regulating agencies, the applicant and all persons performing operations covered by the application are in substantial compliance with 21 U.S.C. Section 355 or 357, 21 C.F.R. Part 314 or 430 et seq. (or non-U.S.

equivalents), respectively, and all terms and conditions of the application, (x) Roberts and its Subsidiaries are in compliance with all applicable registration and listing requirements set forth in 21 U.S.C. Section 360 and 21 C.F.R. Part 207 and, to the extent required, Roberts or one of its Subsidiaries has obtained licenses from the DEA and is in compliance with all such licenses and all applicable regulations promulgated by the DEA, (xi) all manufacturing operations conducted by or, to the knowledge of Roberts, for the benefit of Roberts and its Subsidiaries have been and are being conducted in compliance with applicable good manufacturing practice regulations including those set forth in 21 C.F.R. Parts 210 and 211, (xii) neither Roberts nor any of its Subsidiaries has received any written notice that the FDA, the MCA, the DEA or other regulating agencies has commenced, or threatened to initiate, any action to withdraw its approval or request the recall of any product of Roberts or its Subsidiaries or withdraw advertising or sales promotion materials or commenced, or threatened to initiate, any action to enjoin production at any facility owned or used by Roberts or any of its Subsidiaries or any of their manufacturing

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locations, (xiii) as to each article of drug or consumer product currently manufactured and/or distributed by or on behalf of Roberts or its Subsidiaries, such article is not adulterated or misbranded within the

meaning of the FDCA, 21 U.S.C. Sections 301 et seq., and all advertising

and sales promotional materials of Roberts or its Subsidiaries are otherwise in conformance with applicable regulations and (xiv) neither Roberts nor any of its Subsidiaries nor, to the knowledge of Roberts, any of their respective officers, employees, agents or affiliates has been convicted of any crime or engaged in any conduct for which debarment is mandated by 21 U.S.C. Section 335(a) or authorized by 21 U.S.C. Section 335a(b). To the knowledge of Roberts, Roberts' contractors are in compliance with all applicable law and regulations and in respect of the FDA and DEA have secured all licenses, renewals and quotas necessary to their operation.

Roberts has made available to Shire copies of all written communications to or from the FDA and the DEA relating specifically to Roberts, its Subsidiaries and their respective operations or business.

(x) Environmental Matters. (i) Each of Roberts and its

Subsidiaries possesses all Environmental Permits required under applicable Environmental Laws to conduct its business as currently conducted and to own and operate its assets, and is in compliance in all material respects with the terms and conditions of such Environmental Permits.

(ii) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not affect the validity or require the transfer of any Environmental Permits held by Roberts or its Subsidiaries, and will not require any notification, disclosure, registration, reporting, filing, investigation or remediation under any Environmental Law.

(iii) Each of Roberts and its Subsidiaries is in compliance in all material respects with all applicable Environmental Laws and has no material liability under any Environmental Law.

(iv) There is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, proceeding, notice or demand letter, or request for

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information pending or, to the knowledge of Roberts threatened, under any Environmental Law (x) against Roberts or its Subsidiaries or (y) to the knowledge of Roberts against any person or entity in connection with which liability could reasonably be expected to be imputed or attributed by law or contract to Roberts or its Subsidiaries.

(v) No property or facility presently or formerly owned, leased or operated by Roberts or its Subsidiaries, and no property or facility at which Hazardous Materials of Roberts or its Subsidiaries have been stored,

treated or disposed of or at which any Hazardous Materials have been manufactured, handled, tested, formulated, prepared, encapsulated, packaged, bottled or stored for Roberts or its Subsidiaries ("Roberts

Product Sites") is listed or proposed for listing on the National

Priorities List or the Comprehensive Environmental Response, Compensation and Liability Information System, both promulgated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), or on any comparable list established under any Environmental

Law.

(vi) There has been no disposal, spill, discharge, emission or release of any Hazardous Material by Roberts or its Subsidiaries on, at, under or from any property presently or formerly owned, leased or operated by Roberts or its Subsidiaries and there are no Hazardous Materials located in, at, on or under any such facility or property, or, to the knowledge of Roberts, at any Roberts Product Site or other location where Hazardous Materials of Roberts or any of its Subsidiaries have been stored, treated or disposed of (a "Roberts Third Party Site"), in each case that could

reasonably be expected to result in the incurrence of any material liability, by Roberts or its Subsidiaries under any Environmental Law.

(vii) There are no underground storage tanks or other underground storage receptacles or related piping, or any impoundments containing Hazardous Materials located on any facility or property owned, leased or operated by Roberts or any of its Subsidiaries.

(viii) No Lien has been recorded against any properties, assets or facilities owned, leased or operated by

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Roberts or any of its Subsidiaries under any Environmental Law.

(ix) Neither Roberts nor any of its Subsidiaries is obligated to perform any investigation or other action under any Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound, or has assumed by contract or agreement any obligation or liability under any Environmental Law.

Roberts has made available to Shire all material records and files, including, but not limited to, all assessments, reports, studies, audits, analyses, tests and data, in possession, custody or control of Roberts or its Subsidiaries concerning compliance by Roberts and its Subsidiaries with, or liability under, any Environmental Law, including, without limitation, those concerning the existence of Hazardous Materials at facilities or properties currently or formerly owned, operated or leased by

Roberts or its Subsidiaries or at any Roberts Product Site or Roberts Third Party Site.

(y) Products. Each of the products produced or sold by Roberts and

its Subsidiaries: (i) is, and at all times up to and including the date hereof has been, in compliance in all material respects with all applicable federal, state, local and non-U.S. laws and regulations; (ii) is, and at all relevant times has been, fit for the ordinary purposes for which it is intended to be used and conforms in all material respects to any promises or affirmations of fact made on the container, label or promotional materials for such product or in connection with its sale; and (iii) contains no design or manufacturing defect. Neither Roberts nor any of its Subsidiaries has received notice of any product warranty claims. Neither Roberts nor any of its Subsidiaries is aware of any facts which are reasonably likely to cause (i) the withdrawal or recall of any product sold or intended to be sold by Roberts or its Subsidiaries, (ii) a change in the marketing classification, labeling or promotional materials of any such products, or (iii) a termination or suspension of marketing of any such products. There are no material claims pending or, to the knowledge of Roberts, threatened against Roberts or its Subsidiaries with respect to the quality of or absence of defects in such products nor are there any facts known to

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Roberts relating to the quality of or absence of defects in such products which, if known by a potential claimant or governmental authority, could reasonably be expected to give rise to a claim or proceeding. To the knowledge of Roberts, no supplier of a raw material required for the manufacture of a material product of Roberts and its Subsidiaries for which there is not a permissible replacement obtainable under commercially reasonable terms has indicated that it will not continue to supply such raw material on terms consistent with those on the date hereof.

(z) Marketing Practices. Roberts' operations and commercial conduct

and those of its Subsidiaries have at all times conformed in all material respects to the Code of Marketing Practices of the Pharmaceutical Research Industry Association.

(aa) Affiliates. Roberts has delivered to Shire a letter

identifying all persons who, as of the date hereof, may be deemed to be affiliates of Roberts for purposes of Rule 145 under the Securities Act

("Affiliates") and the written agreement of each such person in the form of

Exhibit 3 hereto.

(bb) Pooling. Neither Roberts nor any of its Affiliates has taken

or agreed to take any action or failed to take any action that would prevent the Merger from being treated for financial accounting purposes as a "pooling of interests" in accordance with US GAAP and the regulations and interpretations of the SEC.

(cc) Business Combination. Neither the execution and delivery of

this Agreement, the Option Agreement, the Shareholder Agreements nor the consummation of the transactions contemplated hereby or thereby, as the case may be, will (i) violate the Shareholder Protection Act or (ii) cause, directly or indirectly, a Triggering Event, as that term is defined in the Rights Agreement.

3.2. Representations and Warranties of Shire. Shire represents and

warrants to Roberts that, except (A) as set forth in the Shire Disclosure Schedule delivered by Shire to Roberts at or prior to the execution of this Agreement (the "Shire Disclosure Schedule") (each section of which qualifies the

correspondingly numbered representation and warranty), and (B) with respect to paragraphs (j), (m), (o), (p), (q), (r),

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(t), (w), (x) and (y) of this Section 3.2, as does not have, or could not reasonably be expected to have, individually or in the aggregate, a Shire Material Adverse Effect, the following is true and correct:

(a) Organization; Standing and Power. Shire is a corporation duly

organized and validly existing under the laws of the United Kingdom. Shire has all requisite corporate power and authority to own, lease and operate its assets and to carry on its business as now being conducted. Shire is duly qualified as a foreign corporation to do business in each jurisdiction where the character of its assets owned or leased or the nature of its activities makes such qualification necessary (such jurisdictions being specified in Section 3.2(a) of the Shire Disclosure Schedule) except where the failure to be so qualified would not have a Shire Material Adverse Effect. Copies of the Memorandum and Articles of Association of Shire as in effect on the date hereof have been previously delivered to Roberts. Acquisition Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey. Acquisition Sub has not conducted any activities other than in connection with its organization, the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby.

(b) Subsidiaries and Investments. Section 3.2(b) of the Shire

Disclosure Schedule lists each Subsidiary of Shire. Each such Subsidiary is a corporation duly organized, validly existing and (in applicable jurisdictions) in good standing under the laws of its jurisdiction of incorporation. Each such Subsidiary has all requisite corporate power and authority to own, lease and operate its assets and to carry on its business as now being conducted. All such Subsidiaries are duly qualified as foreign corporations to do business, and (in applicable jurisdictions) are in good standing, in each jurisdiction where the character of their respective assets owned or leased or the nature of their respective activities makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a Shire Material Adverse Effect. All the outstanding shares of capital stock of each such Subsidiary have been validly issued and are fully paid (and in applicable

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jurisdictions, nonassessable) and are owned by Shire, by another Subsidiary of Shire or by Shire and another such Subsidiary, free and clear of all Liens, other than Liens which (individually or in the aggregate) would not have a Shire Material Adverse Effect. Except for the capital stock of its Subsidiaries, Shire does not own any stock, partnership or other equity interest in, or any debt or equity securities of, any person or entity.

(c) Capitalization. The authorized share capital of Shire as of the

date of this Agreement is (Pounds)10,000,000 divided into 200,000,000 Ordinary Shares. At the close of business on July 20, 1999 (i) 143,509,230 Ordinary Shares were issued and (ii) the board of directors of Shire were generally and unconditionally authorized to allot relevant securities up to a nominal amount of (Pounds)2,361,070 and no other share capital was issued or reserved for issuance. All such Ordinary Shares of Shire are, and all Ordinary Shares reserved for issuance will be, when issued, duly authorized, validly issued and fully paid and not subject to preemptive rights other than as required by law or the LSE rules. The Ordinary Shares to be issued in the Merger will not be subject to preemption from existing shareholders of Shire. Except as set forth above, as of the date of this Agreement, there are not any Equity Equivalents of any of Shire or any of its Subsidiaries (including, without limitation, any option, warrant, right to subscribe, call or commitment of any kind or character whatsoever requiring the issuance, sale or transfer by Shire or any of its Subsidiaries of any shares of their capital stock or any securities convertible into or exchangeable or exercisable for such capital stock). As of the date of this Agreement, there are not any outstanding contractual obligations of Shire or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of Shire or any of its Subsidiaries. There are no outstanding SARs with respect to Shire. Shire has delivered to Roberts a complete list of all outstanding indebtedness of Shire and its Subsidiaries.

(d) Authority. Each of Shire and Acquisition Sub has the requisite

corporate power and authority to execute and deliver this Agreement and, subject to Shire Shareholder Approval (as defined below), to perform its respective obligations hereunder. The execution and delivery of

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this Agreement by each of Shire and Acquisition Sub and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors, or a duly authorized committee thereof, of each of Shire and Acquisition Sub. No other corporate proceedings on the part of Shire (other than the approval of this Agreement and the transactions contemplated hereby by the holders of not less than a majority of the Ordinary Shares present and voting or on a poll (the "Shire Shareholder Approval"))

or Acquisition Sub are necessary to authorize the performance of this Agreement and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by each of Shire and Acquisition Sub, and constitutes a valid and binding obligation of each of Shire and Acquisition Sub, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights and general principles of equity.

(e) Noncontravention. Neither the execution and delivery of this

Agreement by Shire or Acquisition Sub nor the consummation of the transactions contemplated hereby nor compliance by Shire or Acquisition Sub with any of the provisions hereof will (i) violate, conflict with or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, could constitute a default) under, or result in the termination, modification or suspension of, or accelerate the performance required by, or result in a right of termination or acceleration under, or result in the creation of any Lien upon, right to acquire or obligation to dispose of any of the properties, assets or rights of Shire or any of its Subsidiaries under, any of the terms, conditions or provisions of (x) the Memorandum and Articles of Association of Shire or equivalent charter documents of any of its Subsidiaries or (y) any note, bond, mortgage, credit agreement, indenture, deed of trust, license, Permit, authorization, lease, agreement or instrument or obligation to which Shire or any of its Subsidiaries is party or by which they are bound or to which they or any of their assets may be subject, or (ii) violate any judgment, ruling, order, writ, injunction, decree, statute, rule or regulation applicable to Shire or any of its Subsidiaries, their operations or any of their assets, except

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for such violations, conflicts or breaches referred to in clauses (i) (y) and (ii) which would not, individually or in the aggregate, have a Shire Material Adverse Effect.

(f) Government Approval; Consents. No consents and approvals are

required to be obtained by Shire or Acquisition Sub from non-governmental
third parties ("Shire Third Party Approvals") in order to lawfully and

contractually permit it to perform its obligations under this Agreement and
consummate the transactions contemplated hereby. No notice to, filing
with, or authorization, consent or approval of, any U.K. or non-U.K. public
body or authority is necessary for the execution, delivery or performance
of this Agreement by Shire or Acquisition Sub or the consummation of the
transactions contemplated hereby ("Shire Governmental Approvals").

(g) Reports and Financial Statements. (i) Shire has delivered to

Roberts (A) its annual report for its fiscal year ended December 31, 1998,
(B) all documents distributed to Shire's shareholders relating to meetings
of the shareholders of Shire since January 1, 1998, and (C) all of its
other reports and statements distributed to Shire shareholders together
with copies of all prospectuses and listing particulars issued by Shire or
any of its Subsidiaries since January 1, 1998 (the "Shire Documents"). As

of the date of its distribution to shareholders, each such report or
statement distributed to shareholders did not contain any untrue statement
of material fact or omit a material fact required to be stated therein or
necessary to make the statements therein, in the light of the circumstances
under which they were made, not misleading. The audited consolidated
financial statements of Shire included in the Shire Documents were prepared
in accordance with accounting principles generally accepted in the United
Kingdom ("UK GAAP") (except in the case of unaudited statements) applied on

a consistent basis during the periods involved (except as may be indicated
in the notes thereto), and present a true and fair view of the consolidated
financial position of Shire and its consolidated Subsidiaries as of the
dates of approval of such financial statements by the board of directors of
Shire and the consolidated results of their operations and cash flows for
the periods set forth therein.

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(h) Information Supplied. None of the information supplied or to be

supplied by Shire for inclusion or incorporation by reference in (i) the
Form F-4 will, at the time the Form F-4 is filed with the SEC, at any time
it is amended or supplemented or at the time it becomes effective under the
Securities Act, contain any untrue statement of a material fact or omit to
state any material fact required to be stated therein or necessary to make
the statements therein not misleading, (ii) the UK Disclosure Documents
will, on the date the UK Disclosure Documents are first mailed to the

shareholders of Shire, or at the time of the Shire shareholders meeting contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading or (iii) the Proxy Statement will, at the date it is first mailed to Roberts shareholders or at the time of the Roberts Shareholders Meeting contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The UK Disclosure Documents will contain all particulars relating to Shire and Roberts required to comply in all material respects with all United Kingdom statutory and other legal provisions (including, without limitation, the Companies Act, the FSA and the rules and regulations made thereunder and the rules and requirements of the LSE) and all such information contained in such documents will be substantially in accordance with the facts and will not omit anything material likely to affect the import of such information. The Form F-4 will comply as to form in all material respects with the requirements of the Securities Act and the rules and regulations thereunder, except that no representation is made by Shire with respect to statements made or incorporated by reference therein based on information supplied by Roberts.

(i) Absence of Certain Changes or Events. Except as disclosed in

the Shire Documents filed and publicly available, or as disclosed in announcements made by Shire in compliance with the continuing obligations of the LSE prior to the date of this Agreement (the "Public UK Documents"),

since December 31, 1998 there has not been (i)

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any material adverse change in the business, assets, financial condition or results of operations of Shire and its Subsidiaries, taken as a whole, (ii) any destruction or loss of (whether or not covered by insurance) any property, asset or right that has had or is likely to have a Shire Material Adverse Effect, (iii) any authorization or issuance by Shire of any of its capital stock or the issuance of any debt security or other evidence of Indebtedness of Shire or any of its Subsidiaries, (iv) any redemption or other acquisition by Shire of any of its capital stock or by Shire or any of its Subsidiaries of any debt securities or other evidences of Indebtedness, or any payment made with respect to any of the foregoing (other than any regular, periodic payment of interest made with respect to a debt security or other evidence of Indebtedness), (v) any declaration, setting aside or payment of any dividend or other distribution or payment (whether in cash, capital stock or otherwise) in respect of any capital stock of Shire, (vi) any disposal or lapse of any Shire Intellectual Property or Shire Intellectual Property License, (vii) any Lien (other than a Permitted Lien) incurred on any material property, assets or rights of

Shire or any of its Subsidiaries, (viii) any incurrence by Shire or any of its Subsidiaries of any liability which has had or is likely to have a Shire Material Adverse Effect, (ix) any incurrence of Indebtedness or any guarantee by Shire or any of its Subsidiaries of any liability of any other person or entity outside of the ordinary course of business, (x) to the knowledge of Shire, any development with respect to regulatory approval of any products of Shire or any of its Subsidiaries which has had or is likely to have a Shire Material Adverse Effect, (xi) to the knowledge of Shire, any development with respect to relationships with any contract manufacturer or contract research organization with which Shire or any of its Subsidiaries has a business relationship which has had or is likely to have a Shire Material Adverse Effect or (xii) any change in Shire's Tax accounting methods, any new election made with respect to Taxes, any modification or revocation of any existing election made with respect to Taxes, or any settlement or other disposition of any Tax matter.

(j) Compliance with Law. Neither Shire nor any of its Subsidiaries

is in violation or non-compliance in any material respect with any statute, law, ordinance,

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regulation, rule, order or other legal requirement of any government, authority or any other governmental department or agency applicable to its business or operations, or any judgment, decree or order of any court to which it is a party.

(k) Affiliate Arrangements . Neither Shire nor any of its

Subsidiaries is a party to any contract, agreement, arrangement, understanding or other commitment with any director, officer or securityholder of Shire or any of its Subsidiaries or, to the knowledge of Shire, any person or entity controlled by any such person.

(l) Transaction Fees. Shire has not retained any broker, finder,

financial adviser, investment banker or other person or entity which is entitled to any brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

(m) Litigation. There is no claim, action, suit or proceeding

pending or, to the knowledge of Shire, threatened against Shire or any of its Subsidiaries or any of their respective properties, assets or rights before any court or governmental or regulatory authority or body.

(n) Taxes and Tax Returns. (i) Shire has duly and timely filed all

U.K. and non-U.K. Tax Returns required to be filed by it and its

Subsidiaries, and each such Tax Return is complete and accurate in all material respects, (ii) Shire has timely paid all Taxes due and payable by it and its Subsidiaries and has made adequate provision (through a current accrual on its most recent financial statements) for any Taxes that are not yet due and payable and (iii) Shire has withheld and paid in a timely manner all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party, including amounts of or the value of awards and prizes paid to Shire's employees. Any deficiencies or assessments asserted in writing by any taxing authority have been paid or fully settled and no issue raised by any such taxing authority reasonably could be expected to result in a proposed deficiency for any prior, parallel or subsequent period (including periods subsequent to the Effective Time). There are no claims or assessments pending

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(or, to the best knowledge of Shire, threatened) against Shire or any of its Subsidiaries for any alleged U.K. or non-U.K. Tax deficiency and no issue has been raised in writing by any U.K. or non-U.K. taxing authority or representative thereof. No claim has ever been made by an authority in a jurisdiction where Shire does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. Section 3.2(n) of the Shire Disclosure Schedule lists all U.K. and non-U.K. jurisdictions in which Shire files Tax Returns, and indicates those Tax Returns that have been audited and those that currently are the subject of audit. Shire has not consented to an extension of the statute of limitations with respect to any Tax period. Shire is not a party to any Tax allocation or sharing agreement. Shire (i) has never been a member of any combined, consolidated, affiliated or unitary group for any U.K. or non-U.K. Tax purposes and (ii) has no liability for the Taxes of any person as a transferee or successor, by contract, or otherwise. Shire has never requested a ruling from, or entered into a closing agreement with any taxing authority. Shire has previously delivered to Roberts true and complete copies of (i) all U.K. and non-U.K. income or franchise Tax Returns for each of the last three taxable years ending prior to the date of this Agreement (except for those Tax Returns that have not yet been filed) and (ii) any audit reports issued within the last three years by any taxing authority.

(o) Real Property. Section 3.2(o) of the Shire Disclosure Schedule

sets forth a complete and accurate list of all material real property owned or leased by Shire or any of its Subsidiaries, including (i) with respect to owned real property, the date of its acquisition, any Liens on or with respect to such real property (other than Permitted Liens), the name of the holder of any such Lien and the amount and nature of any obligation secured by any such Lien and (ii) with respect to leased real property, the name of the lessor of such real property, a list of all instruments and documents governing the terms of such leasehold interest, any Lien on or with respect to such leasehold interest (other than Permitted Liens), the name of the

holder of any such Lien and the amount and nature of any obligation secured by any such Lien. Shire is not a lessor with respect to any material real property owned by it or any of its Subsidiaries and has not granted any

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sublease of any leasehold interest in any material real property leased by it or any of its Subsidiaries. With respect to such material real property, (i) there are no eminent domain proceedings pending or threatened against it, (ii) such properties and the improvements thereon (including the roof and structural portions of each building) are in good operating order and condition, subject to ordinary wear and tear, and (iii) the use thereof does not violate any zoning or similar land use laws or other government regulations other than such violations which, individually or in the aggregate, would not adversely affect the ability of Shire and its Subsidiaries to use, operate or occupy any of such properties following the Effective Time. The real property owned or leased by Shire and its Subsidiaries is sufficient for the conduct of their business.

(p) Licenses, Permits and Authorizations. Section 3.2(p) of the

Shire Disclosure Schedule sets forth a complete and accurate list of all material Permits held by or on behalf of Shire and its Subsidiaries, including (i) the agency or body issuing such Permit, (ii) the person or entity to whom such Permit was issued and (iii) the date such Permit expires or is required to be renewed. Each such Permit is, to the knowledge of Shire, in full force and effect and Shire, or the person or entity who holds such Permit on Shire's behalf, is in compliance in all material respects with all of its obligations with respect thereto, and, to the knowledge of Shire, no event has occurred or condition exists which permits or, upon the giving of notice or lapse of time or both, would permit revocation, nonrenewal, modification, suspension or termination of any such Permit.

(q) ERISA and Employee Matters. Section 3.2(q) of the Shire

Disclosure Schedule sets forth a complete and accurate list of all employment and consultancy agreements, all employee benefit plans (within the meaning of Section 3(3) of ERISA) or retirement benefits scheme (within the meaning of Section 611 of the Income and Corporation Taxes Act 1988) and all other written plans, arrangements or policies relating to stock options, stock purchases, compensation, deferred compensation, supplemental retirement arrangements, other incentive programs, severance, fringe benefits or other employee benefits

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(collectively "Shire Employment Obligations") covering all present and

former officers, directors, employees, consultants and agents of Shire and

its Subsidiaries and any of their spouses or dependents. Shire has made available to Roberts true, complete and correct copies of (i) each Shire Employment Obligation, (ii) the most recent annual report on Form 5500 as filed with the Internal Revenue Service with respect to each applicable Shire Employment Obligation, (iii) the most recent summary plan description (or similar document) with respect to each applicable Shire Employment Obligation, (iv) each trust agreement and insurance or annuity contract relating to any Shire Employment Obligation and (v) the most recent actuarial valuation report for each applicable Shire Employment Obligation. With respect to all Shire Employment Obligations benefiting Shire's U.S. employees, (i) Shire and its Subsidiaries are in compliance in all material respects with all applicable provisions of ERISA and the Code with respect to each Shire Employment Obligation, (ii) except for PBGC premiums, all of which that are due have been paid, neither Shire nor any of its Subsidiaries has any material liability under Title IV of ERISA, (iii) neither Shire nor any of its Subsidiaries has engaged in a prohibited transaction or breach of fiduciary duty that would subject it to a material tax imposed under Section 4975 of the Code or material liability pursuant to Section 409 or 502 of ERISA, (iv) neither Shire nor any of its Subsidiaries has been a party to or contributed to any "multiemployer plan" as defined in Section 4001(a) of ERISA, (v) no pension plan covering any present or former officers, directors or employees of Shire or any of its Subsidiaries is or has been subject to Title IV of ERISA, (vi) except for liability for contributions and benefits pursuant to such Shire Employment Obligations, neither Shire nor any of its Subsidiaries has incurred any material liability under or pursuant to Title I or IV of ERISA or the penalty, excise tax or joint and several liability provisions of the Code relating to employee benefit plans and (vii) except claims for benefits payable in the normal operation of such Shire Employment Obligations, there are no investigations by any governmental agency, termination proceedings or other claims, suits or proceedings against or involving any such Shire Employment Obligation or asserting any rights to or claims for benefits under any such Shire Employment Obligation. In respect of any Shire

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Employment Obligations benefiting Shire UK employees, (i) the only benefits provided are defined contribution benefits and no promise, assurance or undertaking has been given to any of the employees (whether legally binding or not) as to the provision of retirement, death or disability benefits at a particular level and (ii) there are not in respect of any retirement benefits scheme or the benefits under it any actions, suits or claims pending or threatened (other than routine claims or benefits) against the trustees or administrators of that scheme or against Shire. Each Shire Employment Obligation of Shire and its Subsidiaries (if any) that is intended to be a tax-qualified plan has been the subject of a determination letter from the Internal Revenue Service to the effect that such Shire Employment Obligation and each related trust is qualified and exempt from Federal income taxes under Sections 401(a) and 501(a), as applicable, respectively, of the Code, no such determination letter has been revoked,

and revocation has not been threatened and no event has occurred and no circumstances exist that would reasonably be expected to adversely affect the tax qualification of such Shire Employment Obligation. Each of the Shire Employment Obligations with respect to employees or former employees employed by Shire or any of its Subsidiaries outside of the United States are in compliance in all material respects with all applicable law (including, where applicable, Article 141 of the Treaty of Rome) and, to the extent the benefits provided thereunder are not mandated by the laws of the applicable jurisdiction, copies of the applicable written plan document have been made available to Roberts.

(r) Labor Relations. (i) There is no unfair labor practice

complaint pending against Shire or any of its Subsidiaries or, to the knowledge of Shire, threatened against them before the National Labor Relations Board or any other U.S. or non-U.S. governmental or regulatory authority, and, to the knowledge of Shire, no grievance or arbitration proceeding arising out of or under any of their Shire Employment Obligations is so pending against Shire or any of its Subsidiaries or threatened against them; (ii) to the knowledge of Shire, there is no basis for an unfair labor practice finding against Shire or any of its Subsidiaries; (iii) no strike, labor dispute, slowdown or stoppage is pending or, to the knowledge of Shire,

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threatened against Shire or any of its Subsidiaries; and (iv) no union has ever represented any employee of Shire or any of its Subsidiaries.

(s) Intellectual Property Rights. (i) Section 3.2(s)(i) of the

Shire Disclosure Schedule sets forth a complete and accurate list (including registration numbers and dates of filing, renewal and termination, where applicable, for each jurisdiction where filed) of all Intellectual Property owned by Shire and its Subsidiaries which is material to Shire and its Subsidiaries, taken as a whole ("Shire Intellectual

Property"), including any Liens thereon, the name of the holder of any such

Lien and the amount and nature of any obligation secured by any such Lien. All Shire Intellectual Property is owned by Shire or its Subsidiaries free and clear of all Liens, no Shire Intellectual Property has been canceled, abandoned or otherwise terminated and all patent applications, trademark applications and copyright applications included in Shire Intellectual Property have been duly filed and are recorded on the public record in the name of Shire or one of its Subsidiaries and all renewal fees have been duly paid other than where such action would not have a Shire Material Adverse Effect. Neither Shire nor any of its Subsidiaries has granted any license or other rights with respect to any Shire Intellectual Property to any other person or entity.

(ii) Shire has no knowledge that any of its or its Subsidiaries' granted patents are invalid; to the knowledge of Shire, no Shire Intellectual Property is being infringed by any third party in any material respect; and, to the knowledge of Shire, its current operations do not infringe a granted patent of a third party in any material respect.

(iii) Neither Shire nor any of its Subsidiaries has any license or other rights with respect to any Intellectual Property owned by any other person or entity.

(iv) All technology, processes, techniques and methods of manufacture used in or necessary to the manufacturing or research operations of Shire and its Subsidiaries, except to the extent the same are in the public domain, are subject to valid and effective confidentiality

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agreements between Shire and its employees, have been memorialized to the extent required by good manufacturing practice and, to the knowledge of Shire, are the subject of no claim, whether or not asserted, that their use or employment by Shire or any of its Subsidiaries violates the rights of any person.

(t) Insurance. Section 3.2(t) of the Shire Disclosure Schedule sets

forth (i) a complete and accurate list of all policies of insurance of Shire and its Subsidiaries currently in force, including surety bonds or other credit support therefor (the "Shire Insurance Policies"), the current

annual premiums for each Shire Insurance Policy, the types of risk covered and limits of coverage and (ii) a description of claims experience of Shire (x) in the twelve months immediately preceding the date hereof with respect to all matters and (y) since its incorporation with respect to product liability matters, matters arising by reason of clinical trials, environmental matters and workmen's compensation. All Shire Insurance Policies are in full force and effect and all premiums due thereon have been paid. Shire has complied in all material respects with the terms and provisions of the Shire Insurance Policies. Shire has never applied for and been refused or denied any policy of insurance with respect to product liability matters, matters arising by reason of clinical trials, environmental matters and workmen's compensation. Shire's insurance coverage is adequate in kind and amount based on current industry practice.

(u) Books and Records. (i) The books of account and other

financial records of Shire and its Subsidiaries that have been made available to Roberts prior to the date hereof or are made available thereafter are or will be true, complete and correct in all material respects and do not, and will not, contain any omissions which, in light of

the circumstances in which they are made, are materially misleading.

(ii) The minute books and other records of Shire and its Subsidiaries that have been or will be made available to Roberts contain records of all meetings of Shire and its Subsidiaries prior to the date hereof and prior to the Effective Time, respectively, are or will be accurate in all material respects and reflect accurately in all material

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respects all other corporate action of the shareholders and directors and any committees of the Board of Directors of Shire and its Subsidiaries.

(v) Undisclosed Liabilities. Except as set forth in the Public UK

Documents and except for liabilities and obligations incurred in the ordinary course of business consistent with past practice and UK GAAP neither Shire nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by UK GAAP to be set forth on a consolidated balance sheet of Shire and its consolidated Subsidiaries or in the notes thereto and which, individually or in the aggregate, could reasonably be expected to have a Shire Material Adverse Effect.

(w) FDA, DEA Matters. Section 3.2(w) of the Shire Disclosure

Schedule sets forth a complete and accurate list of (i) each investigational new drug filing made by Shire or any of its Subsidiaries with the FDA or any non-U.S. equivalents (including, without limitation, the MCA), (ii) each clinical trial protocol submitted by Shire or any of its Subsidiaries to the FDA or any non-U.S. equivalents, (iii) each new drug application and abbreviated or supplemental new drug application filed by Shire or any of its Subsidiaries pursuant to the Federal Food, Drug and Cosmetic Act, as amended, or any non-U.S. equivalents (iv) each product license application filed by Shire or any of its Subsidiaries pursuant to the Public Health Service Act, as amended, or any non-U.S. equivalents and (v) each establishment license application filed with respect to any product of Shire or any of its Subsidiaries under the Public Health Service Act, as amended or any non-U.S. equivalents. (i) There are no lawsuits, arbitrations, legal or administrative or regulatory proceedings, charges, complaints or investigations by the FDA, the DEA, the DOJ or any state or non-U.S. regulatory agency pending or, to the best knowledge of Shire, threatened against or relating to Shire, any of its Subsidiaries or any of their respective products, (ii) there have been no product recalls or similar actions by Shire or any of its Subsidiaries, (iii) each clinical trial with respect to products of Shire and its Subsidiaries has been conducted in accordance with its clinical trial protocol and applicable regulations and Shire or one of its Subsidiaries has filed

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all required notices (and made available to Roberts copies thereof) of adverse drug experiences, injuries or deaths relating to clinical trials of such products, and Shire or one of its Subsidiaries has filed all required notices of any such occurrence, (iv) to the best knowledge of Shire, all clinical trials have been and are being conducted in substantial compliance with all applicable good clinical practice regulations, (v) neither Shire nor any of its Subsidiaries nor, to the best knowledge of Shire, any of their respective officers, employees or agents has made an untrue statement of material fact or fraudulent statement to the FDA, the MCA, the DEA or other regulatory agencies, failed to disclose a material fact required to be disclosed to any of them or committed an act, made a statement or failed to make a statement that could reasonably be expected to provide a basis for any of them to invoke the policy respecting "Fraud, Untrue Statements of Material Facts, Bribery and Illegal Gratuities" set forth in 56 Fed. Reg. 46191 (September 10, 1991) or equivalent regulations, (vi) there are no unresolved reports, warning letters or other documents received from or issued by the FDA, the MCA, the DEA or other regulatory agencies that indicate or suggest material lack of compliance with FDA or DEA regulatory requirements by Shire, any of its Subsidiaries or persons providing services for the benefit of any of them, (vii) to the best knowledge of Shire, no person has filed a claim for loss or potential loss under any indemnity covering participants in clinical trials of products of Shire and its Subsidiaries, (viii) to Shire's knowledge, no material modifications to the process by which products of Shire or any of its Subsidiaries that have been or are being used in clinical trials are manufactured will be necessary in order to manufacture commercial quantities of such products, (ix) as to each drug of Shire or one of its Subsidiaries for which a new drug application or abbreviated new drug application has been approved by the FDA or other regulatory agencies, the applicant and all persons performing operations covered by the application are in substantial compliance with 21 U.S.C. Section 355 or 357, 21 C.F.R. Part 314 or 430 et seq. (or any non-U.S. equivalents), respectively, and all terms and

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conditions of the application, (x) Shire and its Subsidiaries are in compliance with all applicable registration and listing requirements set forth in 21 U.S.C. Section 360 and 21 C.F.R. Part 207 and, to the extent required,

Shire and its Subsidiaries have obtained licenses from the DEA and are in compliance with all such licenses and all applicable regulations promulgated by the DEA, (xi) all manufacturing operations conducted by or, to the knowledge of Shire, for the benefit of Shire and its Subsidiaries have been and are being conducted in compliance with applicable good manufacturing practice regulations including those set forth in 21 C.F.R. Parts 210 and 211, (xii) neither Shire nor any of its Subsidiaries has received any written notice that the FDA, the MCA, the DEA or other regulatory agencies has commenced, or threatened to initiate, any action to

withdraw its approval or request the recall of any product of Shire or its Subsidiaries or withdraw advertising or sales promotion materials or commenced, or threatened to initiate, any action to enjoin production at any facility owned or used by Shire or any of its Subsidiaries or any of their manufacturing locations, (xiii) as to each article of drug or consumer product currently manufactured and/or distributed by or on behalf of Shire or its Subsidiaries, such article is not adulterated or misbranded within the meaning of the FDCA, 21 U.S.C. Sections 301 et seq., and all

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advertising and sales promotional materials of Shire or its Subsidiaries are otherwise in conformance with applicable regulations and (iv) neither Shire nor any of its Subsidiaries nor, to the knowledge of Shire, any of their respective officers, employees, agents or affiliates has been convicted of any crime or engaged in any conduct for which debarment is mandated by 21 U.S.C. Section 335(a) or authorized by 21 U.S.C. Section 335a(b). To the knowledge of Shire, Shire's contractors are in compliance with all applicable law and regulations and in respect of the FDA and DEA have secured all licenses, renewals and quotas necessary to their operation.

Shire has made available to Roberts copies of all written communications to or from the FDA and the DEA relating specifically to Shire, its Subsidiaries and their respective operations or business.

(x) Environmental Matters. (i) Each of Shire and its Subsidiaries

possesses all Environmental Permits required under applicable Environmental Laws to conduct its business as currently conducted and to own and operate its

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assets, and is in compliance in all material respects with the terms and conditions of such Environmental Permits.

(ii) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not affect the validity or require the transfer of any Environmental Permits held by Shire or its Subsidiaries, and will not require any notification, disclosure, registration, reporting, filing, investigation or redemption under any Environmental Law.

(iii) Each of Shire and its Subsidiaries is in compliance in all material respects with all applicable Environmental Laws and has no material liability under any Environmental Law.

(iv) There is no civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, proceeding, notice or demand letter, or request for information pending or, to the knowledge of Shire threatened, under any Environmental Law (x) against Shire or its

Subsidiaries or (y) to the knowledge of Shire against any person or entity in connection with which liability could reasonably be expected to be imputed or attributed by law or contract to Shire or its Subsidiaries.

(v) No property or facility presently or formerly owned, leased or operated by Shire or its Subsidiaries, and no property or facility at which Hazardous Materials of Shire or its Subsidiaries have been stored, treated or disposed of or at which any Hazardous Materials have been manufactured, handled, tested, formulated, prepared, encapsulated, packaged, bottled, or stored for Shire or its Subsidiaries ("Shire Product Sites") is listed or

proposed for listing on the National Priorities List or the Comprehensive Environmental Response, Compensation and Liability Information System, both promulgated under CERCLA, or on any comparable list established under any Environmental Law.

(vi) There has been no disposal, spill, discharge, emission or release of any Hazardous Material by Shire or its Subsidiaries on, at, under or from any property presently or formerly owned, leased or operated by Shire or its Subsidiaries and there are no Hazardous Materials located in, at, on or under any such facility or property,

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or, to the knowledge of Roberts, at any Shire Product Site or other location where Hazardous Materials of Shire or any of its Subsidiaries have been stored, treated or disposed of (a "Shire Third Party Site"), in each

case that could reasonably be expected to result in the incurrence of any material liability, by Shire or its Subsidiaries under any Environmental Law.

(vii) There are no underground storage tank or other underground storage receptacles or related piping, or any impoundments containing Hazardous Materials located on any facility or property owned, leased or operated by Shire or any of its Subsidiaries.

(viii) No Lien has been recorded against any properties, assets or facilities owned, leased or operated by Shire or any of its Subsidiaries under any Environmental Law.

(ix) Neither Shire nor any of its Subsidiaries is obligated to perform any investigation or other action under any Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound, or has assumed by contract or agreement any obligation or liability under any Environmental Law.

Shire has made available to Roberts all material records and files, including, but not limited to, all assessments, reports, studies, audits, analyses, tests and data, in possession, custody or control of Shire or its

Subsidiaries concerning compliance by Shire and its Subsidiaries with, or liability under, any Environmental Law, including, without limitation, those concerning the existence of Hazardous Materials at facilities or properties currently or formerly owned, operated or leased by Shire or its Subsidiaries or at any Shire Product Site or Shire Third Party Site.

(y) Products. Each of the products produced or sold by Shire and

its Subsidiaries: (i) is, and at all times up to and including the date hereof has been, in compliance in all material respects with all applicable U.K. and non-U.K. laws and regulations; (ii) is, and at all relevant times has been, fit for the ordinary purposes for which it is intended to be used and conforms in all material respects to any promises or affirmations of fact made

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on the container, label or promotional materials for such product or in connection with its sale; and (iii) contains no design or manufacturing defect. Neither Shire nor any of its Subsidiaries has received notice of any product warranty claims. Neither Shire nor any of its Subsidiaries is aware of any facts which are reasonably likely to cause (i) the withdrawal or recall of any product sold or intended to be sold by Shire or its Subsidiaries, (ii) a change in the marketing classification, labeling or promotional materials of any such products, or (iii) a termination or suspension of marketing of any such products. There are no material claims pending or, to the knowledge of Shire, threatened against Shire or its Subsidiaries with respect to the quality of or absence of defects in such products nor are there any facts known to Shire relating to the quality of or absence of defects in such products which, if known by a potential claimant or governmental authority, could reasonably be expected to give rise to a claim or proceeding. To the knowledge of Shire, no supplier of a raw material required for a material product of Shire and the Subsidiaries for which there is not a permissible replacement obtainable under commercially reasonable terms, has indicated that it will not continue to supply such raw materials on terms consistent with those on the date hereof.

(z) Marketing Practices. Shire's operations and commercial conduct

and those of its Subsidiaries have at all times conformed in all material respects to the Code of Marketing Practices of the Pharmaceutical Research Industry Association.

(aa) Ordinary Shares. As of the Effective Time, the Ordinary Shares

comprising the Merger Consideration (including Ordinary Shares delivered to the Depositary underlying the Shire ADSs constituting Merger Consideration) will have been duly authorized for issuance and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued and

fully paid.

(bb) Pooling. Neither Shire nor any of its Affiliates has taken or

agreed to take any action or failed to take any action that would prevent the Merger from being treated for financial accounting purposes as a "pooling of

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interests" in accordance with US GAAP and the regulations and interpretations of the SEC.

(cc) Merger Consideration. As of the Effective Time, the Shire ADSs

and Ordinary Shares received by the Holders as Merger Consideration will represent less than fifty percent of both the total voting power and the total value of the outstanding stock of Shire within the contemplation of Treas. Reg. (S) 1.367(a)-3(c)(1)(i).

(dd) Active Trade or Business. Shire, a "qualified subsidiary" (as

defined in Treas. Reg. (S) 1.367(a)-3(c)(5)(vii) of Shire or a "qualified partnership" (as defined in Treas. Reg. (S) 1.367(a)-3(c)(5)(viii)) of which Shire is a partner will, as of the Effective Time, have been engaged in an active trade or business outside the United States for the entire 36-month period immediately before the Effective Time, within the meaning of and as contemplated by Treas. Reg. (S) 1.367(a)-3(c)(3). None of Shire, any qualified subsidiary of Shire or any qualified partnership of which Shire is a partner has, nor will have as of the Effective Time, any intention to dispose of or discontinue any trade or business referred to in the previous sentence if doing so would cause the active trade or business test of Treas. Reg. (S) 1.367(a)-3(c)(3) not to be satisfied.

(ee) Asset Acquisitions. As of the Effective Time, none of Shire,

any qualified subsidiary of Shire or any qualified partnership of which Shire is a partner (each as defined above in Section 3.2(dd)) will own any assets acquired outside the ordinary course of business within the preceding 36-month period that would cause Shire to fail to satisfy the "substantiality test" set forth in Treas. Reg. (S) 1.367(a)-3(c)(3)(iii).

(ff) Ownership of Roberts Shares. Except as contemplated in this

Agreement and the Option Agreement as of the date hereof and the Effective Time, none of Shire, any of its Subsidiaries or, to Shire's knowledge, any of its "affiliates" or "associates" (as such terms are defined in the Shareholder Protection Act), (i) owns, or during the five-year period prior

to the date hereof owned, or has any rights to acquire or vote any shares of Common Stock or (ii) has any agreement, arrangement or understanding

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for the purpose of acquiring, holding, voting or disposing of Common Stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, Common Stock.

ARTICLE IV

COVENANTS OF ROBERTS

4.1. Regular Course of Business. Except in connection with the

performance by Roberts of its obligations under the Agreement, until the Effective Time, Roberts shall conduct its and its Subsidiaries' business only in the ordinary course and shall use reasonable efforts to maintain and preserve its business organization, assets, employees and business relationships and to maintain all of its material properties and assets in useful and good condition, ordinary wear and tear excepted.

4.2. Certain Prohibited Activities. Until the Effective Time,

except as contemplated by this Agreement or as set forth on Section 4.2 of the Roberts Disclosure Schedule, Roberts shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Shire: (a) cease to be a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, or in good standing as a foreign corporation in any jurisdiction where the character of its assets or nature of its business makes such qualification necessary; (b) authorize or issue any additional shares of its capital stock, any Equity Equivalents, any debt securities or other evidence of its indebtedness or any SARs; (c) repay any of its Indebtedness prior to scheduled maturity (other than in the ordinary course of business) or redeem or otherwise acquire any of its capital stock or any Equity Equivalents or make any payment with respect to any of the foregoing (other than regular, periodic payments of interest made with respect to any Indebtedness); (d) split, combine or reclassify any of its capital stock or declare, set aside or pay any dividend or other distribution in respect of any of its capital stock; (e) acquire any stock, partnership or other equity interest in or any equity or debt security of any other person or entity; (f) amend its Certificate of Incorporation or By-Laws (or equivalent charter documents); (g) violate or fail to comply in any material respect with any statute,

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law, ordinance, regulation, rule, order or other legal requirement of any government, authority or any other governmental department or agency, or any

judgment, decree or order of any court or governmental body or agency applicable to its business or operations (other than any violations or failures to comply which could not reasonably be expected, individually or in the aggregate, to have a Roberts Material Adverse Effect); (h) enter into any contract, agreement or other commitment with any present or former director, officer or securityholder of Roberts or any person or entity controlled by any such person other than in the ordinary course of business and where the amount involved is not in excess of \$500,000; (i) acquire or dispose of any material real property or any material leasehold interest in real property, or create or suffer to exist any Lien on any material assets owned or leased by it; (j) fail to comply in all material respects with all of its obligations with respect to all material Permits or voluntarily take or omit to take any action which could reasonably be expected to result in the revocation, nonrenewal, modification, suspension or termination of any such Permit (other than any violations or failures to comply which could not reasonably be expected, individually or in the aggregate, to have a Roberts Material Adverse Effect); (k) (i) grant to any officer of Roberts or any of its Subsidiaries any increase in compensation, (ii) grant to any employee of Roberts or any of its Subsidiaries any increase in severance or termination pay, (iii) enter into any employment, severance or termination agreement with any employee of Roberts or any of its Subsidiaries or (iv) enter into any Employment Obligation, or permit the modification or termination of any existing Employment Obligation; (l) dispose of, permit to lapse, modify, terminate, grant any interest to any person or entity in, or create or suffer to exist any Lien on or with respect to, any Roberts Intellectual Property; (m) take any action that would cause it to fail to maintain in full force and effect, comply in all material respects with all of the terms and provisions of or pay all premiums due on any Insurance Policy; (n) enter into any material agreement or permit the modification or termination of any material agreement outside the ordinary course of business; (o) merge or consolidate with any other person or entity or acquire control of or purchase all or substantially all of the assets of any other person or entity; (p) voluntarily incur or permit the incurrence of any liability not in the ordinary course of business and in excess of \$1,000,000; (q) adopt a plan of complete or partial liquidation;

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or (r) undertake any action which would jeopardize accounting for the Merger as a pooling of interests.

4.3. Notice of Certain Events. Roberts will give notice to Shire,

promptly after obtaining knowledge thereof, of (i) any representation or warranty made by it contained in this Agreement that is qualified as to materiality becoming untrue or inaccurate in any respect or any such representation or warranty that is not so qualified becoming untrue or inaccurate in any material respect or (ii) the failure by it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement.

4.4. Access. Roberts shall afford the officers, employees and

representatives of Shire, and its counsel and auditors, reasonable access during normal business hours prior to the Effective Time to its facilities, properties, equipment, files, accounts, books and records so that Shire may have full opportunity to make such investigations as it may desire to make of the affairs of Roberts. Shire will hold, and will cause its respective officers, employees, accountants, counsel, financial advisers and other representatives and affiliates to hold, any confidential information in accordance with the terms of that certain Confidentiality Agreement dated as of June 1, 1999, between Shire and Roberts.

4.5. Approvals. Roberts shall use all reasonable efforts to take

or cause to be taken all action, and to do or cause to be done all things reasonably necessary, proper or advisable in order to fulfill and perform its obligations under this Agreement or otherwise consummate and make effective the transactions contemplated hereby. Roberts shall use all commercially reasonable efforts to obtain or cause to be obtained all Roberts Governmental Approvals and Roberts Third Party Approvals.

4.6. No Solicitation. (a) Prior to the Effective Time, Roberts

agrees that neither it, any of its Subsidiaries, nor any of their respective directors, officers, employees, agents or representatives of the foregoing, will, directly or indirectly, (i) solicit or initiate (including by way of furnishing or disclosing non-public information) any inquiries or the making of any proposal with respect to any merger, consolidation or other business combination involving Roberts or the

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acquisition of all or any significant part of the assets or capital stock of Roberts (a "Roberts Acquisition Transaction") or (ii) negotiate, explore or

otherwise engage in discussions with any person (other than Shire and its representatives) with respect to any Roberts Acquisition Transaction, or which may reasonably be expected to lead to a proposal for a Roberts Acquisition Transaction or enter into any agreement, arrangement or understanding with respect to any such Roberts Acquisition Transaction or which would require it to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement; provided, however, that Roberts may, in response

to an unsolicited written proposal from a third party regarding a Roberts Superior Proposal (as hereinafter defined), furnish information to, negotiate or otherwise engage in discussions with such third party, if the Board of Directors of Roberts determines in good faith, after consultation with its financial advisors and based upon advice of outside counsel that such action is required for the Board of Directors to comply with its fiduciary duties under applicable law.

(b) Except as may be required pursuant to the fiduciary duties of Roberts' Board of Directors under applicable law, Roberts agrees that, as of the date hereof, it and its Subsidiaries, and the respective directors, officers, employees, agents and representatives of the foregoing, shall immediately cease and cause to be terminated any existing activities, discussions or negotiations with any person (other than Shire and its representatives) conducted heretofore with respect to any Roberts Acquisition Transaction. Roberts agrees to promptly advise Shire of any inquiries or proposals received by, any such information requested from, or any negotiations or discussions sought to be initiated or continued with, Roberts or its Subsidiaries, or any of the respective directors, officers, employees, agents or representatives of the foregoing, in each case from a person (other than Shire and its representatives) with respect to a Roberts Acquisition Transaction, and the terms hereof, including the identity of such third party and the general terms of any financing arrangement or commitment in connection with such Roberts Acquisition Transaction, and, except as may otherwise be required pursuant to the fiduciary duties of Roberts' Board of Directors under applicable law, to update on an ongoing basis or upon Shire's reasonable request, the status thereof, as well as any actions taken or other developments pursuant to this Section 4.6. As used herein, "Roberts Superior

Proposal" means a bona fide, written

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and unsolicited proposal or offer made by any persons (or group) (other than Shire or any of its Subsidiaries) with respect to a Roberts Acquisition Transaction (i) on terms which the Board of Directors of Roberts determines in good faith, and in the exercise of reasonable judgment (based on the advice of independent financial advisors and legal counsel), to be more favorable to Roberts and its shareholders than the transactions contemplated hereby (including taking into account the financing thereof.)

4.7. Pooling of Interests. Roberts shall use all reasonable

efforts to cause the Merger to be accounted for as a "pooling of interests" in accordance with US GAAP, Accounting Principles Board Opinion 16 and applicable SEC rules, regulations and policies and shall take no action that would cause such accounting treatment not to be obtained.

4.8. ISRA. Roberts shall obtain from the New Jersey Department of

Environmental Protection either (i) a declaration of non-applicability of the New Jersey Industrial Site Recovery Act ("ISRA") to the Merger or any other

transactions contemplated thereby, or (ii) approval of a negative declaration or other action required to comply with ISRA, in each case which is reasonably acceptable to Shire.

COVENANTS OF SHIRE AND ACQUISITION SUB

5.1. Regular Course of Business. Except in connection with the

performance by Shire and Acquisition Sub of their respective obligations under this Agreement, until the Effective Time, Shire shall conduct its and its Subsidiaries' business only in the ordinary course and shall use reasonable efforts to maintain and preserve its business organization, assets, employees and business relationships and to maintain all of its material properties and assets in useful and good condition, ordinary wear and tear excepted.

5.2. Certain Prohibited Activities. Until the Effective Time,

except as contemplated by this Agreement or as set forth on Section 5.2 of the Shire Disclosure Schedule, Shire shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Roberts: (a) cease to

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be a corporation duly organized, validly existing and, where applicable, in good standing under its jurisdiction of incorporation, or in good standing as a foreign corporation in any applicable jurisdiction where the character of its assets or nature of its business makes such qualification necessary; (b) authorize or issue any additional shares of its capital stock, any Equity Equivalents, any debt securities or other evidence of its indebtedness or any SARs; (c) repay any of its Indebtedness prior to scheduled maturity (other than in the ordinary course of business) or redeem or otherwise acquire any of its capital stock or any Equity Equivalents or make any payment with respect to any of the foregoing (other than regular, periodic payments of interest made with respect to any Indebtedness); (d) split, combine or reclassify any of its capital stock or declare, set aside or pay any dividend or other distribution in respect of any of its capital stock; (e) acquire any stock, partnership or other equity interest in or any equity or debt security of any other person or entity; (f) amend its Memorandum and Articles of Association (or equivalent charter documents); (g) violate or fail to comply in any material respect with any statute, law, ordinance, regulation, rule, order or other legal requirement of any government, authority or any other governmental department or agency, or any judgment, decree or order of any court or governmental body or agency applicable to its business or operations (other than any violations or failures to comply which could not reasonably be expected, individually or in the aggregate, to have a Shire Material Adverse Effect); (h) enter into any contract, agreement or other commitment with any present or former director, officer or securityholder of Shire or any person or entity controlled by any such person other than in the ordinary course of business and where the amount involved is not in excess of \$500,000; (i) fail to comply in all material respects with all of its obligations with respect to all material Permits or voluntarily take or omit to take any action which could reasonably be expected to result in the revocation,

nonrenewal, modification, suspension or termination of any such Permit (other than any violations or failures to comply which could not reasonably be expected, individually or in the aggregate, to have a Shire Material Adverse Effect); (j) (i) grant to any officer of Shire or any of its Subsidiaries any increase in compensation, (ii) grant to any employee of Shire or any of its Subsidiaries any increase in severance or termination pay, (iii) enter into any employment, severance or termination agreement with any employee of Shire or any of its Subsidiaries or (iv) enter into

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any Employment Obligation or permit the modification or termination of any existing Employment Obligation; (k) dispose of, permit to lapse, modify, terminate, grant any interest to any person or entity in, or create or suffer to exist any Lien with respect to, any Shire Intellectual Property; (l) take any action that would cause it to fail to maintain in full force and effect, comply in all material respects with all of the terms and provisions of or pay all premiums due on any Insurance Policy; (m) enter into any material agreement or permit the modification of any material agreement outside the ordinary course of business; (n) merge or consolidate with any other person or entity or acquire control of or purchase all or substantially all of the assets of any other person or entity; (o) voluntarily incur or permit the incurrence of any liability not in the ordinary course of business and in excess of \$1,000,000; (p) adopt a plan of complete or partial liquidation; or (q) undertake any actions which would jeopardize accounting for the Merger as a pooling of interests.

5.3. Notice of Certain Events. Each of Shire and Acquisition Sub

will give notice to Roberts promptly after obtaining knowledge thereof, of (i) any representation or warranty made by it contained in this Agreement that is qualified as to materiality becoming untrue or inaccurate in any respect or any such representation or warranty that is not so qualified becoming untrue or inaccurate in any material respect or (ii) the failure by it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement.

5.4. Access. Shire and Acquisition Sub shall afford the officers,

employees and representatives of Roberts, and its counsel and auditors, reasonable access during normal business hours during the period prior to the Effective Time to their respective facilities, properties, equipment, files, accounts, books and records so that Roberts may have full opportunity to make such investigations as it may desire to make of the affairs of Shire and Acquisition Sub. Roberts will hold, and will cause its respective officers, employees, accountants, counsel, financial advisers, and other representatives and affiliates to hold, any confidential information in accordance with the terms of that certain Confidentiality Agreement dated as of June 1, 1999, between Shire and Roberts.

5.5. Approvals. Each of Shire and Acquisition Sub shall use all

reasonable efforts to take or cause to be taken all actions, and to do or cause to be done all things, reasonably necessary, proper or advisable in order to fulfill and perform its obligations under this Agreement or otherwise consummate or make effective the transactions contemplated hereby. Each of Shire and Acquisition Sub shall use all commercially reasonable efforts to obtain all Shire Governmental Approvals and Shire Third Party Approvals.

5.6. No Solicitation. (a) Prior to the Effective Time, Shire

agrees that neither it, any of its Subsidiaries, nor any of their respective directors, officers, employees, agents or representatives of the foregoing, will, directly or indirectly, (i) solicit or initiate (including by way of furnishing or disclosing non-public information) any inquiries or the making of any proposal with respect to any merger, consolidation or other business combination involving Shire or the acquisition of all or any significant part of the assets or capital stock of Shire (a "Shire Acquisition Transaction") or (ii)

negotiate, explore or otherwise engage in discussions with any person (other than Roberts and its representatives) with respect to any Shire Acquisition Transaction, or which may reasonably be expected to lead to a proposal for a Shire Acquisition Transaction or enter into any agreement, arrangement or understanding with respect to any such Shire Acquisition Transaction or which would require it to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement; provided, however, that Shire

may, in response to an unsolicited written proposal from a third party regarding a Shire Superior Proposal (as hereinafter defined), furnish information to, negotiate or otherwise engage in discussions with such third party, if the Board of Directors of Shire determines in good faith, after consultation with its financial advisors and based upon advice of outside counsel that such action is required for the Board of Directors to comply with its fiduciary duties under applicable law.

(b) Except as may be required pursuant to the fiduciary duties of Shire's Board of Directors under applicable law, Shire agrees that, as of the date hereof, it and its Subsidiaries, and the respective directors, officers, employees, agents and representatives of the foregoing, shall immediately cease and cause to be terminated any existing activities, discussions or negotiations with any person (other than Roberts

and its representatives) conducted heretofore with respect to any Shire Acquisition Transaction. Shire agrees to promptly advise Roberts of any inquiries or proposals received by, any such information requested from, or any

negotiations or discussions sought to be initiated or continued with, Shire or its Subsidiaries, or any of the respective directors, officers, employees, agents or representatives of the foregoing, in each case from a person (other than Shire and its representatives) with respect to a Shire Acquisition Transaction, and the terms hereof, including the identity of such third party and the general terms of any financing arrangement or commitment in connection with such Shire Acquisition Transaction, and, except as may otherwise be required pursuant to the fiduciary duties of Shire's Board of Directors under applicable law, to update on an ongoing basis or upon Roberts' reasonable request, the status thereof, as well as any actions taken or other developments pursuant to this Section 5.6. As used herein, "Shire Superior Proposal" means a

bona fide, written and unsolicited proposal or offer made by any persons (or group) (other than Roberts or any of its Subsidiaries) with respect to a Shire Acquisition Transaction (i) on terms which the Board of Directors of Shire determines in good faith, and in the exercise of reasonable judgment (based on the advice of independent financial advisors and legal counsel), to be more favorable to Shire and its shareholders than the transactions contemplated hereby (including taking into account the financing thereof.)

5.7. Pooling of Interests. Shire shall use all reasonable efforts

to cause the Merger to be accounted for as a "pooling of interests" in accordance with US GAAP, Accounting Principles Board Opinion 16 and applicable SEC rules, regulations and policies and shall take no action that would cause such accounting treatment not to be obtained.

5.8. Indemnification. (a) From and after the Effective Time and

until the sixth anniversary of the Effective Time and for so long thereafter as any claim for indemnification asserted on or prior to such date has not been fully adjudicated, Shire and the Surviving Corporation shall indemnify, defend and hold harmless each individual who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time, a director or officer of Roberts or any of its Subsidiaries against all losses, claims, damages, costs, expenses (including attorneys' fees) or liabilities (including attorneys' fees) arising out of actions or omissions or alleged

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actions or omissions occurred at or prior to the Effective Time to the same extent and on the same terms and conditions (including with respect to advancement of expenses) permitted or required under applicable law and Roberts' Certificate of Incorporation and By-Laws in effect at the date hereof.

(b) For a period of six years after the Effective Time, Shire and the Surviving Corporation shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Roberts (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are no

less advantageous to the insured parties) with respect to claims arising from facts or events which occurred on or before the Effective Time; provided,

however, that if the premiums with respect to such insurance exceed 150% of the -----

annual premiums paid as of the date hereof by Roberts for such insurance, Shire and the Surviving Corporation shall be obligated to purchase directors' and officers' liability insurance with the maximum coverage as can be obtained at an annual premium equal to 150% of the annual premiums paid by Roberts as of the date hereof.

(c) The provisions of this Section are intended to be for the benefit of, and shall be enforceable by, each indemnified party and each party entitled to insurance coverage under paragraph (b) above, respectively, and his or her heirs and legal representatives, and shall be in addition to any other rights an indemnified party may have under the certificates or articles of incorporation or by-laws of the Surviving Corporation or any of its Subsidiaries, under the New Jersey Law or otherwise.

ARTICLE VI

AGREEMENTS REGARDING OPTIONS

AND OTHER BENEFITS

6.1. Stock Option Plans. (a) At the Effective Time, Roberts shall,

if necessary, have amended (and Shire and the Surviving Corporation shall have approved and adopted, respectively) each of the Roberts Option Plans to provide that each of the Options shall be assumed by Shire (or the Surviving Corporation) and made applicable to the purchase of Ordinary

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Shares as provided in this Section 6.1. Shire shall assume or replace such Options (or fraction thereof) so that each holder of an Option (an "Optionee")

shall have such Optionee's Option apply to that number of Ordinary Shares (adjusted to the nearest whole share) equal to the product of (i) the number of all Options of such Optionee immediately prior to the Effective Time and (ii) the Exchange Ratio. The exercise price per share for each Optionee's Options (adjusted to the nearest pence) assumed or replaced will equal the old exercise price per share of Common Stock divided by the Exchange Ratio; provided,

however, that in the case of any Option to which Section 421 of the Code

continues to apply by reason of its qualification under Section 422 of the Code ("incentive stock options"), the option price, the number of shares purchasable

pursuant to such option and the terms and conditions of exercise of such option shall be determined in order to comply with Section 424(a) of the Code and the regulations promulgated thereunder. Without limiting the foregoing, the duration and other terms of each assumed or replaced Option immediately after the Effective Time (unless otherwise agreed in writing by the Optionee with respect to a particular Option) shall be the same as the corresponding Options that were in effect immediately before the Effective Time, except that all references to Roberts in the Roberts Option Plans (and the corresponding references in each option agreement documenting each such Option) shall be deemed to be references to Shire or the Surviving Corporation, as applicable; provided, however, that

the exercise price with respect to each Ordinary Share shall not be less than the nominal value of (Pounds)0.05 thereof. Roberts will terminate its Employee Stock Purchase Plan prior to the closing and extinguish all rights thereunder.

(b) As soon as practicable after the Effective Time, Shire shall deliver to each Optionee appropriate notices setting forth such Optionee's rights pursuant to the Shire Option Plans and the agreements evidencing the grants of such Options shall continue in effect on the same terms and conditions.

(c) Shire shall take all corporate action necessary to reserve for issuance a sufficient number of Ordinary shares for delivery upon exercise of Options. As soon as practicable after the Effective Time, Shire shall file a registration statement on Form F-3, Form S-8, or another appropriate form, as the case may be (or any successor form), with respect to the Ordinary Shares subject to such options and shall use its

reasonable best efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such options remain outstanding.

6.2. Continuation of Benefits. During the period from the

Effective Time until December 31, 2001, Shire shall maintain or cause to be maintained wages, compensation levels, employee pension and welfare plans for the benefit of employees and former employees of Roberts and its Subsidiaries, which are, in the aggregate, equal or greater in value than those wages, compensation levels and other benefits provided under Roberts' Employment Obligations that are in effect on the date hereof. Nothing in this Agreement shall be construed as limiting in any way the right of Shire after the Effective Time to terminate the employment of or lay-off any employee of Roberts.

6.3. Severance Policy and Other Agreements. Shire shall honor or

cause to be honored all severance agreements and employment agreements with Roberts' directors, officers and employees.

6.4. 1999 Bonus. Shire will pay, or cause to be paid, bonuses for

calendar year 1999 to Roberts' employees participating in Roberts' RPC Incentive Compensation Program in amounts equal to each such Roberts employee's bonus for the year, on a basis consistent with past practice, within the target range established for each employee (but, in the aggregate, not in excess of U.S.\$1,500,000) as determined by the chief executive of Roberts immediately prior to the Closing Date (all in accordance with the RPC Incentive Compensation Program set forth in Schedule 6.4 of the Roberts Disclosure Schedule). Annual bonus for 1999 for the four senior officers of Roberts who do not participate in the RPC Incentive Compensation Program shall be as determined by the Compensation Committee of Roberts' Board of Directors immediately prior to the Closing Date in a manner which is consistent with past practice based upon performance, and shall be in an aggregate amount not greater than U.S.\$1,000,000.

6.5. Waiver of Preexisting Conditions; Credit for Deductibles;

Service Credit. Shire will, or will cause the Surviving Corporation to, (i)

waive all limitations as to preexisting conditions with respect to participation and coverage requirements applicable to the employees and former employees

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of Roberts and its Subsidiaries under any welfare plan that such employees or former employees may be eligible to participate in after the Effective Time, (ii) provide each employee of Roberts and its Subsidiaries with credit for any co-payments and deductibles paid during the applicable plan year prior to the Effective Time in satisfying any applicable deductible or out-of-pocket requirements under any welfare plans that such employees are eligible to participate in after the Effective Time, and (iii) provide each employee of Roberts and its Subsidiaries with credit for all service with Roberts and its affiliates for purposes of vesting and eligibility to participate under each employee benefit plan, program, or arrangement of the Purchaser or its affiliates in which such employees are eligible to participate.

ARTICLE VII

CONDITIONS PRECEDENT

7.1. Conditions to the Obligations of Each Party to Effect the Merger

. The respective obligations of each of the parties to effect the Merger shall be subject to the satisfaction or waiver of each of the following conditions at or prior to the Closing:

(a) Shareholder Approvals. The Roberts Shareholder Approval and

Shire Shareholder Approval shall have been obtained.

(b) Certain Approvals. All Roberts Governmental Approvals and Shire

Governmental Approvals shall have been obtained, satisfied, waived or expired, as applicable.

(c) No Proceeding or Litigation. No order, injunction, decree or

judgment of any court or governmental body or agency shall be in effect which materially restrains or prohibits the transactions contemplated hereby, and no suit, action, investigation, inquiry or proceeding by any governmental body or agency or legal or administrative proceeding by any governmental body or agency shall have been instituted, or threatened in writing, which questions the validity or legality of the transactions contemplated hereby.

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(d) Securities Laws. The Form F-4 filed by Shire and the Form F-6

filed by the Depositary shall have become effective under the Securities Act and Exchange Act, as applicable, and shall not be the subject of any stop order or proceedings seeking a stop order, and Shire shall have received all state securities or "blue sky" authorizations necessary to issue Shire ADRs and Ordinary Shares pursuant to this Agreement.

7.2. Additional Conditions to the Obligations of Roberts. The

obligation of Roberts to effect the Merger is also subject to the satisfaction or waiver of each of the following conditions at or prior to Closing:

(a) Agreements. Each of Shire and Acquisition Sub shall have

performed or complied in all material respects with each covenant, agreement and obligation to be performed or complied with by it hereunder on or prior to the Closing Date.

(b) Representations and Warranties. The representations and

warranties of Shire and Acquisition Sub set forth in this Agreement shall be true and correct in all material respects (except that where any statement in a representation or warranty expressly includes a standard of materiality, such statement shall be true and correct in all respects giving effect to such standard) at and as of the Closing Date as if made at and as of such time or, if made as of a specified date, as of such date.

(c) Officer's Certificate. Roberts shall have received a

certificate, dated the Closing Date, of the President or a Vice President of Acquisition Sub and of a director of Shire to the effect that the conditions specified in paragraphs (a) and (b) above have been fulfilled.

(d) Consents from Third Parties. All Shire Third Party Approvals

shall have been obtained.

(e) Listing. The London Stock Exchange shall have granted admission

of the Ordinary Shares comprising the Merger Consideration to the Official List, subject only to allotment; and the allotment of the Ordinary Shares comprising the Merger Consideration shall have occurred, subject only to admission becoming effective in accordance with paragraph 7.1 of the Listing Rules of LSE.

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(f) Tax Opinions. Roberts shall have received an opinion, relying

on appropriate representations, of either Milbank, Tweed, Hadley & McCloy LLP, counsel to Roberts, or Cahill Gordon & Reindel, counsel to Shire to the effect that the Merger will constitute a reorganization described in Code Section 368(a)(1)(A) and Code Section 368(a)(2)(E) and no gain or loss will be recognized by Roberts or any Holder except that (i) a Holder who receives cash in lieu of fractional Ordinary Shares or Shire ADSs will recognize capital gain or capital loss equal to the difference between the cash received and the basis of the Holder's shares of Common Stock allocated to the fractional interest and (ii) any Holder required to enter into a "gain recognition agreement" within the meaning of Treas. Reg. (S) 1.367(a)-3(c)(1)(iii)(B) must do so in order to avoid immediate gain recognition and may be required to recognize gain at the time and in the amount specified in the gain recognition agreement, which opinion shall be dated on or about the date that is two business days prior to the date the Proxy Statement is first mailed to stockholders of Roberts, shall not have been withdrawn or modified in any material respect.

(g) Pooling Letter. There shall have been delivered to Roberts a

letter from its independent auditors, dated as of the Closing Date and addressed to Roberts, reasonably satisfactory in form and substance to Roberts, setting forth the concurrence of Roberts' independent auditors with the conclusion of Roberts' management that it will be appropriate to account for the Merger as a "pooling of interests" under US GAAP, Accounting Principles Board Opinion No. 16 and all rules, regulations and policies of the SEC, if the Merger is consummated in accordance with this Agreement.

(h) Nasdaq. The Shire ADSs to be issued in the Merger and under the

Roberts Option Plans after the Merger in accordance with this Agreement shall have been approved for listing on the Nasdaq National Market.

7.3. Additional Conditions to the Obligations of Shire and

Acquisition Sub. The obligations of Shire and Acquisition Sub to effect the

Merger are also subject to the satisfaction or waiver of each of the following conditions at or prior to the Closing:

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(a) Agreements. Roberts shall have performed each covenant,

agreement and obligation to be performed or complied with by it hereunder on or prior to the Closing Date.

(b) Representations and Warranties. The representations and

warranties of Roberts set forth in this Agreement shall be true and correct in all material respects (except that where any statement in a representation or warranty expressly includes a standard of materiality, such statement shall be true and correct in all respects giving effect to such standard) at and as of the Closing Date as if made at and as of such time or, if made as of a specified date, as of such date.

(c) Roberts Officer's Certificate. Shire shall have received a

certificate, dated the date of the Closing, of the President or Vice President of Roberts to the effect that the conditions specified in paragraphs (a) and (b) above have been fulfilled.

(d) Pooling Letter. There shall have been delivered to Shire a

letter from its independent auditors, dated as of the Closing Date and addressed to Shire, reasonably satisfactory in form and substance to Shire, setting forth the concurrence of Shire's independent auditors with the conclusion of Shire's management that it will be appropriate to account for the Merger as a "pooling of interests" under US GAAP, Accounting Principles Board Opinion No. 16 and all rules, regulations and policies of the SEC, if the Merger is consummated in accordance with this Agreement.

ARTICLE VIII

OTHER AGREEMENTS

8.1. Preparation of Form F-4, Form F-6, the Proxy Statement and the

UK Disclosure Document. As soon as practicable following the date of this

Agreement, Roberts shall, in cooperation with Shire, prepare and file with the SEC the Proxy Statement and Shire shall, in cooperation with Roberts, prepare and file with the SEC the Form F-4, in which the Proxy Statement will be included as a prospectus. Each of Roberts and Shire shall use its best efforts to have the Form F-4 declared

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effective under the Securities Act as promptly as practicable after such filing. Shire shall also, as promptly as practicable, use its best efforts to cause the Depository to file with the SEC a registration statement on Form F-6 (the "Form

F-6") with respect to Shire ADRs under the Securities Act and use its best

efforts to have the Form F-6 declared effective as soon as practicable. Shire shall also take any action (other than qualifying to do business in any jurisdiction in which it is not now so qualified) required to be taken under any applicable United States state securities laws in connection with the issuance of Shire ADRs and Ordinary Shares in the Merger and Shire Ordinary Shares under the Roberts Stock Plans and Roberts shall furnish all information concerning Roberts and the holders of Common Stock as may be reasonably requested in connection with any such action.

8.2. Roberts Shareholders Meeting. Roberts shall, as soon as

practicable following the date of this Agreement, duly call, give notice of, convene and hold a meeting of its shareholders (the "Roberts Shareholders

Meeting") for the purpose of obtaining the Roberts Shareholder Approval. Except

as required to comply with the fiduciary duties of the Board of Directors as advised by outside counsel, Roberts will, through its Board of Directors, recommend to its shareholders approval of all matters required to be so approved. Roberts shall use its best efforts to cause the Proxy Statement to be mailed to Roberts' shareholders as promptly as practicable after the Form F-4 is declared effective under the Securities Act and, if necessary, after the Proxy Statement shall have been so mailed, promptly circulate amended, supplemental or supplemented proxy materials and, if required in connection therewith, resolicit proxies, it being understood that Roberts shall not be required to hold more than one meeting of shareholders.

8.3. Shire Shareholders Meeting. Shire will, as soon as

practicable following the date of this Agreement, duly call, give notice of, convene and hold an extraordinary general meeting of its ordinary shareholders (the "Shire Shareholders Meeting") for the purpose of obtaining the Shire

Shareholder Approval. Except as required to comply with the fiduciary duties of the Board of Directors as advised by outside counsel, Shire will, through its

Board of Directors, recommend to its shareholders approval of all such matters required to be so approved. In connection with the Shire Shareholders Meeting (i) Shire will, as soon as practicable after the date of this

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Agreement, prepare and file with the LSE, and will use its best efforts to have cleared by the LSE and will thereafter mail to its shareholders the UK Disclosure Documents, which will comply with all legal requirements applicable to the Shire Shareholders Meeting and (ii) if necessary, after the UK Disclosure Documents have been so posted, promptly circulate amended, supplemental or supplemented materials and, if required in connection therewith, resolicit votes, it being understood that Shire shall not be obligated to hold more than one meeting of shareholders.

8.4. Acquisition Sub Actions. Shire will take all action within

its control which is necessary or appropriate to cause Acquisition Sub to perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

ARTICLE IX

TERMINATION, AMENDMENT AND WAIVER

9.1. Termination. This Agreement may be terminated at any time

prior to the Effective Time, whether before or after the Roberts Shareholder Approval or the Shire Shareholder Approval:

(a) by mutual written consent of Shire and Roberts;

(b) by either Shire or Roberts upon notice thereof given in writing to the other party if (i) any governmental entity shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the consummation of the Merger and such order, decree or ruling or other action shall have become final and nonappealable (a "Final Order") or (ii) the Effective Time has not occurred

on or before December 31, 1999 unless a later date is established by mutual written consent of Shire and Roberts or unless the failure to consummate the Merger is the result of a breach of a covenant set forth in this Agreement or a misrepresentation or breach of any warranty set forth in this Agreement by the party seeking to terminate this Agreement;

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(c) by the Board of Directors of Shire or Roberts, if (x) the Shire Shareholder Approval shall fail to be obtained upon a vote therefor taken

at the Shire Shareholders Meeting or (y) Roberts Shareholder Approval shall fail to be obtained upon a vote therefor taken at the Roberts Shareholders Meeting, unless due to delay or default on the part of Roberts, in the case of the Roberts Shareholder Approval, or due to delay or default on the part of Shire or Acquisition Sub, in the case of the Shire Shareholder Approval;

(d) by action of the Board of Directors of Shire and notice thereof given in writing to Roberts if (i) there has been a breach in any material respect (except that where any statement in a representation or warranty includes a standard of materiality, such statement shall be true and correct in all respects giving effect to such standard) of any representation, warranty, covenant or agreement on the part of Roberts set forth in this Agreement which breach is not curable on or prior to December 31, 1999 or (ii) the Board of Directors of Roberts (x) fails to recommend the approval of this Agreement and the Merger to Roberts' shareholders in accordance with Section 8.2 hereof, or (y) withdraws or amends or modifies in a manner adverse to Shire its recommendation or approval in respect of this Agreement or the Merger or fails to reconfirm such recommendation within 5 business days of a reasonable written request for such confirmation by Shire;

(e) by the Board of Directors of Shire if they shall reasonably determine that a proposal for a Shire Acquisition Transaction constitutes a Shire Superior Proposal; provided, however, that Shire may not terminate

this Agreement pursuant to this clause (e) unless (i) 5 business days shall have elapsed after delivery to Roberts of a written notice of such determination by such Board of Directors and, during such 5-business-day period, Shire shall have informed Roberts of the material terms and conditions and financing arrangements of such proposal for a Shire Acquisition Transaction and the identity of the person or group making such proposal for a Shire Acquisition Transaction and (ii) at the end of such 5-business-day period, such Board of Directors shall continue reasonably to believe that such proposal for a Shire Acquisition Transaction constitutes a Shire Superior Proposal and promptly

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thereafter Shire shall enter into a definitive acquisition, merger or similar agreement to effect such Shire Superior Proposal;

(f) by action of the Board of Directors of Roberts and notice thereof given in writing to Shire if (i) there is a breach in any material respect (except that where any statement in a representation or warranty includes a standard of materiality, such statement shall be true and correct in all respects giving effect to such standard) of any representation, warranty, covenant or agreement on the part of Shire or Acquisition Sub set forth in this Agreement which breach is not curable on or prior to December 31, 1999 or (ii) the Board of Directors of Shire (x) fails to recommend the approval of this Agreement and the Merger to Shire's shareholders in accordance with

Section 8.3 hereof, or (y) withdraws or amends or modifies in a manner adverse to Roberts its recommendation or approval in respect of this Agreement or the Merger or fails to reconfirm such recommendation within 5 business days of a reasonable written request for such confirmation by Roberts; or

(g) by the Board of Directors of Roberts if they shall reasonably determine that a proposal for a Roberts Acquisition Transaction constitutes a Roberts Superior Proposal; provided, however, that Roberts may not

terminate this Agreement pursuant to this clause (g) unless (i) 5 business days shall have elapsed after delivery to Shire of a written notice of such determination by such Board of Directors and, during such 5-business-day period, Roberts shall have informed Shire of the material terms and conditions and financing arrangements of such proposal for a Roberts Acquisition Transaction and the identity of the person or group making such proposal for a Roberts Acquisition Transaction and (ii) at the end of such 5-day-business period, such Board of Directors shall continue reasonably to believe that such proposal for a Roberts Acquisition Transaction constitutes a Roberts Superior Proposal and promptly thereafter Roberts shall enter into a definitive acquisition, merger or similar agreement to effect such Roberts Superior Proposal.

9.2. Effect of Termination. In the event of termination of this

Agreement as provided in Section 9.1, this

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Agreement shall forthwith become void and have no effect and there shall be no liability or obligation on the part of Shire, Roberts, Acquisition Sub or any their respective officers or directors other than provisions of the last sentence of Section 4.4, the last sentence of Section 5.4, Section 10.9, Section 10.10 and this Section 9.2, which will survive termination and except to the extent that such termination results from the willful and material breach by a party of any of its representations, warranties, covenants or agreements set forth in this Agreement.

(b) If (x) Shire shall have terminated this Agreement pursuant to Section 9.1(d) (ii) or (y) Roberts shall have terminated this Agreement pursuant to Section 9.1(g), or (z) Shire or Roberts shall have terminated this Agreement pursuant to Sections 9.1(b) (ii) or (c) (y) following the public announcement (other than by Shire or any of its affiliates) of a proposal for a Roberts Acquisition Transaction by any person (other than the transactions contemplated by this Agreement) and such termination was not solely the result of any action or inaction by Shire which resulted in the failure of the conditions in Section 7.1(a), (b) or (c) or Section 7.2, and, prior to or within six months after any termination described in this clause (z), Roberts (or any of its Subsidiaries) shall have entered into a definitive agreement for, or shall have consummated, a Roberts Acquisition Transaction, in which the consideration received by Roberts

or its shareholders is equal to or greater than the value of the Merger Consideration on the date of this Agreement then, in any of such cases, Roberts shall pay Shire a termination fee of \$30.0 million, provided, however, no fee

shall be payable pursuant to this Section 9.2(b) if at the time of termination of this Agreement pursuant to Section 7.1(a) either (aa) the waiting period under the HSR Act (including any voluntary extension or such period) shall not have expired or (bb) any governmental entity is asserting an objection under applicable antitrust laws to the transactions contemplated by this Agreement or (cc) a Final Order has been issued and remains outstanding. Any fee payable under this Section 9.2(b) shall be paid in same day funds (A) contemporaneous with a termination described in either clause (x) or (y) of this Section 9.2(b), and no notice of termination pursuant to such sections shall be effective and this Agreement shall not terminate, until such termination fee is received by Shire, or (B) concurrently with or prior to the entering into of the definitive agreement for, or the consummation of, such Roberts

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Acquisition Transaction, in the case of a termination described in clause (z) of this Section 9.2(b).

(c) If (x) Roberts shall have terminated this Agreement pursuant to Section 9.1(f)(ii) or (y) Shire shall have terminated this Agreement pursuant to Section 9.1(e), or (z) Shire or Roberts shall have terminated this Agreement pursuant to Sections 9.1(b)(ii) or (c)(x) following the public announcement (other than by Roberts or any of its affiliates) of a proposal for a Shire Acquisition Transaction by any person (other than the transactions contemplated by this Agreement) and such termination was not solely the result of any action or inaction by Roberts which resulted in the failure of the conditions in Section 7.1(a), (b) or (c) or Section 7.3, and, prior to or within six months after any termination described in this clause (z), Shire (or any of its Subsidiaries) shall have entered into a definitive agreement for, or shall have consummated, a Shire Acquisition Transaction, then, in any of such cases, Shire shall pay Roberts a termination fee of \$30.0 million, provided, however, no fee

shall be payable pursuant to this Section 9.2(c) if at the time of termination of this Agreement pursuant to Section 7.1(a) either (aa) the waiting period under the HSR Act (including any voluntary extension or such period) shall not have expired or (bb) any governmental entity is asserting an objection under applicable antitrust laws to the transactions contemplated by this Agreement or (cc) a Final Order has been issued and remains outstanding. Any fee payable under this Section 9.2(c) shall be paid in same day funds (A) contemporaneous with a termination described in either clause (x) or (y) of this Section 9.2(c), and no notice of termination pursuant to such sections shall be effective and this Agreement shall not terminate, until such termination fee is received by Roberts, or (B) concurrently with or prior to the entering into of the definitive agreement for, or the consummation of, such Shire Acquisition Transaction, in the case of a termination described in clause (z) of this Section 9.2(c).

9.3. Amendment. This Agreement may be amended by the parties

hereto at any time before or after any required approval of matters presented in connection with the Merger by the shareholders of Roberts or the shareholders of Shire; provided, however, that after any such approval, there shall be made no

amendment that by law requires further approval by such shareholders without the further approval of such shareholders.

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This Agreement may be amended by an instrument in writing signed on behalf of each of the parties hereto.

9.4. Waiver. At any time prior to the Closing, any party may (a)

extend the time for the performance of any of the obligations or other acts of any other party hereto, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement or (c) subject to the proviso of Section 9.3, waive compliance with any of the agreements of any other party or with any conditions to its own obligations. Except as otherwise required by law, (x) any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by or on behalf of such party by a duly authorized signatory and (y) the failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

ARTICLE X

GENERAL PROVISIONS

10.1. Public Statements. Each of Shire and Acquisition Sub, on the

one hand, and Roberts, on the other hand, agree that neither they nor their respective directors, officers, employees or agents shall disclose to any third party (other than to their professional advisers) or publicly issue any press release or other statement to the press or any third party with respect to this Agreement or transactions contemplated hereby, except as may be required by law or the rules of the American Stock Exchange or LSE rule, without the consent of the other parties hereto.

10.2. Notices. All notices and other communications hereunder

shall be in writing (including telex or similar writing) and shall be deemed given if delivered in person or by messenger, cable, telegram or telex or facsimile transmission or by a reputable overnight delivery service which provides for evidence of receipt to the parties at the following addresses or

telecopier numbers (or at such other address or telecopy number for a party as shall be specified by like notice):

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- (a) if to Shire or Acquisition Sub, to:
Shire Pharmaceuticals Group plc
East Anton
Andover, Hants SP10 5RG
United Kingdom
Telecopy: 011 44 1 264 334 658
Attention: Rolf Stahel, Chief Executive

with a copy to:

John P. Mitchell, Esq.
Cahill Gordon & Reindel
80 Pine Street
New York, New York 10005
USA
Telephone: (212) 701-3000
Telecopy: (212) 269-5420

- (b) if to Roberts, to:

Roberts Pharmaceutical Corporation
Meridian Center II
4 Industrial Way West
Eatontown, NJ 07724
Telecopy: (732) 676-1300
Attention: General Counsel

with a copy to:

Lawrence Lederman, Esq.
Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York 10005
USA
Telecopy: (212) 530-5219

10.3. Interpretation. When reference is made in this Agreement to

a Subsection, Section, Exhibit or Schedule, such reference is to a Subsection or Section of or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" and "including" are used in this Agreement, they are deemed to be followed by the words "without

limitation". For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein have the meanings assigned under United States generally accepted accounting principles, and (ii) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, Subsection or other subdivision.

10.4. Counterparts. This Agreement may be executed in one or more

counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

10.5. Entire Agreement. This Agreement (including the Exhibits and

Schedules hereto) constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; provided that the Confidentiality Agreements referred to in Sections 4.4 and 5.4 hereof shall survive the termination of this Agreement in accordance with their terms.

10.6. Governing Law. Except where by its terms New Jersey Law is

governing, this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the principles of conflicts of law of such state.

10.7. Validity. The invalidity or unenforceability of any

provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, each of which shall remain in full force and effect.

10.8. Assignment. Neither this Agreement nor any of the rights,

interests or obligations hereunder shall be assigned by any party hereto, whether by operation of law or otherwise, without the express prior written consent of each of the other parties hereto. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors.

10.9. Expenses. Except as otherwise expressly provided herein,

each party shall bear its own expenses incurred in connection with the transactions contemplated by this Agreement.

10.10. Enforcement. The parties agree that irreparable damage

would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. The parties accordingly agree that the parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York, Borough of Manhattan, or in New York state court located in the Borough of Manhattan, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit itself to the personal jurisdiction of any Federal court located in the State of New York, Borough of Manhattan, or any New York state court located in the Borough of Manhattan if any dispute arises out of the Agreement or any of the transactions contemplated by this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that it will not bring any action relating to this Agreement in any court other than such a Federal or state court sitting in the State of New York located in the Borough of Manhattan.

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IN WITNESS WHEREOF, Shire, Acquisition Sub and Roberts have caused this Agreement to be executed and delivered by their respective duly authorized officers, all as of the date first above written.

SHIRE PHARMACEUTICALS GROUP PLC

By: \s\ Rolf Stahel

Name: Rolf Stahel
Title: Chief Executive

RUBY ACQUISITION SUB INC.

By: \s\ Rolf Stahel

Name: Rolf Stahel
Title: President

ROBERTS PHARMACEUTICAL CORPORATION

By: \s\ John T. Spitznagel

Name: John T. Spitznagel
Title: President and Chief
Executive Officer

OPTION AGREEMENT

OPTION AGREEMENT (this "Agreement"), dated as of July 26, 1999 by and between Roberts Pharmaceutical Corporation, a New Jersey corporation ("Roberts"), and Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales ("Shire").

WHEREAS, concurrently herewith, Shire, Roberts and Ruby Acquisition Sub, a New Jersey corporation ("Acquisition Sub"), are entering into an Agreement and Plan of Merger of even date herewith (the "Merger Agreement"), pursuant to which Acquisition Sub will merge with and into Roberts (the "Merger"); and

WHEREAS, as a condition and inducement to Shire and Acquisition Sub to enter into the Merger Agreement, Shire has required that Roberts agree, and Roberts has agreed, to grant to Shire an option to purchase certain newly issued shares of common stock, par value \$.01 per share (the "Common Stock") of Roberts, upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, and intending to be legally bound hereby, it is agreed as follows:

1. Option to Purchase.

1.1 Grant of Option. Roberts hereby grants to Shire an irrevocable

option (the "Option") to purchase up to 6,345,926 shares of Common Stock (the "Shares") on the terms and subject to the conditions set forth herein. The Option is exercisable upon the occurrence of any event causing the payment set forth in Section 9.2(b) of the Merger Agreement to become due and payable.

1.2 Exercise of Option. Subject to Section 1.1, at any time prior to

the termination of this Agreement, Shire may exercise the Option, in whole or in part, by sending a written notice of such exercise (the "Exercise Notice") to Roberts specifying the number of Shares to be purchased and a date (not less than two business days nor more than ten days from the later of (i) the date such Exercise Notice is given and (ii)

the expiration or termination of any waiting period, and any extensions thereof, under the HSR Act (as hereinafter defined)) (the "Option Closing Date") for the

closing of such purchase (the "Closing"). The Option may only be exercised on one occasion. The Closing shall take place at the offices of Cahill Gordon & Reindel, 80 Pine Street, New York, New York, at 11:00 a.m., local time, on the day specified in such notice or at such other place, and at such other time or date, as the parties hereto may agree. At the Closing, Roberts shall deliver to Shire certificates in definitive form representing the number of Shares specified in the Exercise Notice registered in the name of Shire or its designee, against payment therefor as specified in Section 1.3. All applicable transfer and documentary taxes and other fees shall be paid by Roberts.

1.3 Purchase Price. The purchase and sale of the shares of Common

Stock pursuant to Section 1.1 of this Agreement shall be at a purchase price per share equal to \$30.00 in cash (the "Purchase Price"). At the Closing, Shire shall pay to Roberts in immediately available funds by wire transfer payable to the order of Roberts an amount equal to the product of the Purchase Price multiplied by the number of Shares sold pursuant to this Section 1.

1.4 Adjustments. If at any time the outstanding shares of Common

Stock are changed into a different number of shares or a different class by reason of any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment or if a stock dividend thereon is declared with a record date prior to the termination of this Agreement, then the number of shares of Common Stock subject to the Option and the applicable per share consideration to be paid by Shire upon exercise of the Option (but not the total purchase price) shall be appropriately and equitably adjusted so that Shire shall receive upon exercise of the Option the number and class of shares or other securities or property that Shire would have received in respect of the Shares that Shire would have been entitled to purchase upon exercise of the Option if the Option had been exercised immediately prior to such event. The rights of Shire under this Section 1.4 shall be in addition to, and shall in no way limit, its rights against Roberts for breach by Roberts of the Merger Agreement.

1.5 Aggregate Limits. (a) Notwithstanding any other provision of

this Agreement or the Merger Agreement, in

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no event shall Shire's Total Profit (as hereinafter defined) exceed in the aggregate \$32.0 million and, if it otherwise would exceed such amount Shire, in its sole discretion, shall either (i) reduce the number of shares of Common Stock subject to the Option, (ii) pay cash to Roberts, (iii) reduce the fee set forth in Section 9.2(b) of the Merger Agreement or (iv) any combination thereof, so that Shire's actually realized Total Profit shall not exceed in the aggregate \$32.0 million after taking into account the foregoing actions.

(b) Notwithstanding any other provision of this Agreement, this

Option may not be exercised for a number of Shares as would, as of the date the Exercise Notice is given, result in a Notional Total Profit (as defined below) of more than \$32.0 million and, if exercise of the Option otherwise would exceed such amount, Shire, at its discretion, may increase the Purchase Price for that number of Shares set forth in the Exercise Notice so that the Notional Total Profit shall not exceed \$32.0 million.

(c) As used herein, the term "Total Profit" shall mean the sum of (i) (x) the amount (before taxes but net of reasonable and customary commissions paid or payable in connection with such transaction) received by Shire pursuant to the sale or other disposition of the Shares less (y) the exercise price for such Shares, (ii) any amounts (before taxes but net of reasonable and customary commissions paid or payable in connection with such transaction) received by Shire on the transfer of the Option (or any portion thereof) to any unaffiliated Person(s) (if permitted hereunder) or to Roberts and (iii) the amount received by Shire pursuant to Section 9.2(b) of the Merger Agreement.

(d) As used herein, the term "Notional Total Profit" with respect to any number of Shares as to which Shire may propose to exercise this Option shall be the Total Profit determined as of the date the Exercise Notice is given assuming that this Option were exercised on such date for such number of Shares and assuming that such Shares, were sold for cash at the closing market price for the Common Stock as of the close of business on the preceding trading day (less customary brokerage commissions).

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2. Representations and Warranties of Roberts. Roberts represents and warrants

to Shire as follows:

2.1 Shares of Common Stock. Roberts has taken all action necessary

to authorize and reserve for issuance and to permit it to issue, upon exercise of the Option, and at all times from the date hereof through the expiration of the Option will have reserved, that number of unissued Shares that are subject to the Option, all of which, upon their issuance and delivery in accordance with the terms of this Agreement, will be validly issued, fully paid and nonassessable. Upon delivery of the Shares to Shire upon the exercise of the Option, Shire will acquire the Shares, free of all liens, encumbrances, restrictions and claims of every kind other than restrictions on transfer under applicable Federal and State securities laws.

2.2 Authority; Binding Agreement. Roberts has the full legal right,

power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Roberts will not violate its Certificate of Incorporation or By-laws. This Agreement has been duly executed and delivered by Roberts and constitutes a legal, valid and binding agreement of Roberts, enforceable in accordance with its terms, except

as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect affecting creditors' rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Roberts of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Roberts or the Shares, except for the filings required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), or (ii) constitute a violation of, conflict with or constitute a default under, any material contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Roberts and its subsidiaries are a party or by which any of them are bound.

2.3 No Consent. The execution and delivery of this Agreement by

Roberts does not, and the performance of this Agreement by Roberts will not, require any consent, approval, authorization or permit of, or filing with or notification to, any non-governmental entity or other third party.

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2.4 Reliance on Agreement. Roberts understands and acknowledges that

Shire is entering into the Merger Agreement in reliance upon Roberts' execution and delivery of this Agreement. Roberts acknowledges that the irrevocable stock option set forth in Section 1 is granted in consideration for the execution and delivery of the Merger Agreement by Shire.

3. Representations and Warranties of Shire. Shire represents and warrants to

Roberts as follows:

3.1 Authority; Binding Agreement. Shire has full legal right, power

and authority to enter into and perform all of its obligations under this Agreement. This Agreement has been duly executed and delivered by Shire and constitutes a legal, valid and binding agreement of Shire, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect, affecting creditors rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shire of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shire or the Shares, except for the filings under the HSR Act or (ii) constitute a violation of, conflict with or constitute a default under, any contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Shire is a party or by which it is bound.

3.2 Private Purchase. Shire is acquiring the Option and will acquire

the shares of Common Stock upon the exercise of the Option for its own account and not with a view to the distribution or resale thereof in any manner not in accordance with applicable law.

4. Certain Covenants of Roberts.

4.1 HSR Act. If prior notification to or approval of any regulatory

or antitrust agency is required in connection with the acquisition of the Shares by Shire hereunder, Roberts shall promptly make any required filing, and shall expeditiously respond to any requests and make any subsequent filings necessary to obtain clearance to consummate the purchase of the

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Shares by Shire. Notwithstanding Section 1, the time periods specified therein shall run instead from the date on which any required notification periods have expired or been terminated or such approvals have been obtained and any requisite waiting period or periods shall have passed.

5. Certain Covenants of Shire.

5.1 Voting. Subject to payment by Roberts of all amounts due Shire

under Section 9.2(b) of the Merger Agreement (subject to the limitations contained in Section 1.5 hereof), Shire will vote any Shares then held by it in favor of the first Roberts Acquisition Transaction (as defined in the Merger Agreement) recommended by Roberts' Board of Directors subsequent to Shire's exercise of the Option, provided that such, recommendation has not been withdrawn, amended or modified. Shire will be present in person or represented by proxy at each shareholder meeting of which it receives notice, provided such notice is given in compliance with Roberts' Certificate of Incorporation and By-Laws and New Jersey law or Shire waives such notice.

5.2 Standstill.

Shire agrees that for a period of two years from the date of the first exercise of the Option, neither it nor any of its affiliates will, without the prior written consent of Roberts or its Board of Directors:

- (a) acquire, offer to acquire, or agree to acquire, by purchase or otherwise, voting securities or direct or indirect rights to acquire any voting securities of Roberts, or of any successor to or person in control of Roberts representing in excess of 20% of the then outstanding voting equity of such entity, or any material portion of

the assets of Roberts or any subsidiary or division thereof or of any such successor or controlling person;

- (b) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the Securities and Exchange Commission), or seek to advise or influence any person with respect to the voting of

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any voting securities of the Roberts which Shire does not then own;

- (c) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any Roberts Acquisition Transaction; or
- (d) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or enter into discussions with any person other than Roberts, in connection with any of the foregoing.

Notwithstanding the foregoing, paragraphs (a) through (d) above shall not be binding on Shire if, without the appraisal of the Roberts board of directors, (A) any person or group of person (other than any person specified in Rule 13d-1(b)(1)(i) and (ii) under the Exchange Act or Shire and its affiliates) acquires beneficial ownership of Common Stock, or any securities convertible into or exchangeable for any Common Stock (or any combination of Common Stock and such securities), representing 10% or more of the then total outstanding shares of Common Stock; or (B) it has been publicly announced or otherwise publicly disclosed that any person or group of persons, other than Shire or any of its affiliates, proposes to effect or has effected (1) a merger, consolidation or other business combination transaction with Roberts, (2) any sale, lease, exchange, transfer or other disposition of all or substantially all of the assets of Roberts and its subsidiaries, taken as a whole, (3) a tender offer or exchange offer for more than 10% of the outstanding shares of Common Stock, or (4) any solicitation of proxies with respect to shares of Common Stock by any person or group of persons (other than Shire or any of its affiliates) with respect to either the election of the directors or relating to any transaction of the kind referred to in this paragraph.

5.3 Transfer Restrictions. For so long as Shire owns Shares

representing at least 5% of the outstanding shares of Common Stock, Shire agrees that it will not sell, transfer any beneficial interest in, pledge, hypothecate or otherwise dispose of any Shares at any time except as follows:

- (i) pursuant to a Roberts Acquisition Transaction approved by the board of directors of Roberts; or

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(ii) in compliance with Rule 144 (or any successor provision) under the Securities Act of 1933, as amended.

6. Termination. This Agreement, to the extent an Exercise Notice has not

previously been given after the occurrence of the event described in Section 1.1 hereof, shall terminate on the earlier of (i) the Effective Time (as defined in the Merger Agreement) or (ii) the termination of the Merger Agreement in accordance with its terms unless a fee is payable or could be payable under Section 9.2(b) of the Merger Agreement (in which case this Agreement shall terminate one business day after any amount due under such Section 9.2(b) has been received by Shire or a fee could no longer be payable under the terms of such Section 9.2(b)).

7. Restrictive Legends. Each certificate representing Shares issued to Shire

hereunder shall, to the extent applicable, include a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY BE REOFFERED OR SOLD ONLY IF SO REGISTERED OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THESE SECURITIES ARE SUBJECT TO CERTAIN RESTRICTIONS CONTAINED IN AN OPTION AGREEMENT DATED AS OF JULY 23, 1999.

8. Conditions to Closing. The obligations of the parties to close hereunder

shall be subject to the conditions that (i) there shall be no preliminary or permanent injunction or other order issued by any court of competent jurisdiction in effect which prohibits the issuance of the Shares and (ii) all applicable waiting periods, and any extensions thereof, under the HSR Act shall have expired or been terminated. Roberts agrees not to seek any such injunction or order and agrees that it will oppose and will seek the immediate lifting of any such injunction or order.

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9. Miscellaneous.

9.1 Survival of Representations and Warranties. All representations,

warranties, covenants and agreements made by Roberts and Shire in this Agreement shall survive any Closing hereunder and any investigation at any time made by or on behalf of any party.

9.2 Notices. All notices, requests, claims, demands and other

communications under this Agreement shall be in writing and shall be delivered

personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of ----- address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied or one day after delivery to a courier for next-day delivery.

If to Shire:

Shire Pharmaceuticals Group plc
East Anton
Andover, Hants SP 10 5RG
United Kingdom
Telecopy: 011 44 1 264 334 658
Attention: Rolf Stahel, Chief Executive Officer

with copies to:

John P. Mitchell, Esq.
Cahill Gordon & Reindel
80 Pine Street
New York, NY 10005
Telephone: (212) 701-3000
Telecopy: (212) 269-5420

If to Roberts:

Roberts Pharmaceutical Corporation
Four Industrial Way West
Eatontown, New Jersey 07724-2274

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with a copy to:

Lawrence Lederman, Esq.
Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, NY 10005
Telephone: (212) 530-5000
Telecopy: (212) 530-5219

9.3 Entire Agreement. This Agreement, together with the documents -----

expressly referred to herein, constitute the entire agreement and supersede all other prior agreements and understandings, both written and oral, between the parties, with respect to the subject matter contained herein.

9.4 Amendments. This Agreement may not be modified, amended, altered

or supplemented, except upon the execution and delivery of a written agreement executed by the parties hereto.

9.5 Assignment. This Agreement shall be binding upon and inure to

the benefit of the parties hereto and their respective successors, assigns and personal representatives, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other party.

9.6 Expenses. Each party hereto will pay all of its expenses in

connection with the transactions contemplated by this Agreement, including, without limitation, the fees and expenses of its counsel and other advisers.

9.7 Governing Law. This Agreement, and all matters relating hereto,

shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

9.8 Injunctive Relief; Jurisdiction. Roberts agrees that irreparable

damage would occur and that Shire would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that Shire shall be entitled to an injunction or injunctions to prevent breaches by Roberts of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York, Borough of Manhattan, or in New York

state court located in the Borough of Manhattan, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit such party to the personal jurisdiction of any Federal court located in the State of New York, Borough of Manhattan or in New York State Court located in the Borough of Manhattan in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that such party will not attempt to deny or defeat such party to the personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that such party will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than a Federal or state court sitting in the State of New York, located in the Borough of Manhattan.

9.9 Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.

9.10 Descriptive Headings. The descriptive headings used herein are

inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

9.11 Severability. Any term or provision of this Agreement which is

invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

9.12 Further Assurances. Each party hereto shall execute and deliver

such additional documents as may be necessary or desirable to consummate the transactions contemplated by this Agreement.

9.13 Third-Party Beneficiaries. Nothing in this Agreement, expressed

or implied, shall be construed to give any person other than the parties hereto any legal or equitable

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right, remedy or claim under or by reason of this Agreement or any provision contained herein.

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IN WITNESS WHEREOF, Shire and Roberts have caused this Agreement to be executed by their duly authorized officers, as of the date and year first above written.

SHIRE PHARMACEUTICALS GROUP PLC

By: /s/ Rolf Stahel

Name: Rolf Stahel
Title: Chief Executive

ROBERTS PHARMACEUTICAL CORPORATION

By: /s/ John T. Spitznagel

Name: John T. Spitznagel

Title: President and Chief
Executive Officer

AMENDMENT TO RIGHTS AGREEMENT

This Amendment to Rights Agreement dated as of July 26, 1999 (the "Amendment"), is by and between Roberts Pharmaceutical Corporation, a New Jersey

 corporation (the "Company"), and Continental Stock Transfer & Trust Company, a

 New Jersey corporation, as Rights Agent (the "Rights Agent").

WHEREAS, the Company and the Rights Agent are parties to a Rights Agreement dated as of December 16, 1996 (the "Rights Agreement"); and

WHEREAS, pursuant to Section 27 of the Rights Agreement, the Company and the Rights Agent desire to amend the Rights Agreement as set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Amendments to Section 1.

- (a) The definition of "Acquiring Person" in Section 1(a) of the Rights Agreement is hereby amended by replacing each of (i) the first reference to "15%" in the first sentence thereof and (ii) the reference to "15%" in the second sentence thereof with "10%".
- (b) The definitions of "Beneficial Owner" and "beneficially own" in Section 1(d) of the Rights Agreement are hereby amended by adding the following at the end thereof:

"Notwithstanding anything contained in this Agreement to the contrary, neither Parent, Sub, nor any of their Affiliates or Associates shall be deemed to be the Beneficial Owner of, nor to beneficially own, any shares of Common Stock (i) solely by virtue of the approval, execution or delivery of the Merger Agreement, the Option Agreement or the Parent Shareholder Agreements or the consummation of the transactions contemplated thereby or (ii) solely as a result of the granting of or the exercise of voting rights under the Parent Shareholder Agreements; provided that Parent shall be

deemed to be the Beneficial Owner of, and to beneficially own, shares of Common Stock purchased under the Option Agreement if the total number of shares of Common Stock beneficially owned by Parent, Sub and their Affiliates and Associates at any time (including such shares) exceeds 20%

of the shares of Common Stock outstanding."

- (c) The definition of "15% Shareholder" in Section 1(n) of the Rights Agreement is hereby deleted in its entirety and Section 1(n) shall read in its entirety as follows:

"(n) [Reserved]".

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- (d) The following definitions are hereby added to the end of Section 1 of the Rights Agreement to read as follows:

"(mm) '10% Shareholder' shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 10% or more of the shares of Common Stock then outstanding, but shall not include (i) the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan or (ii) any Acquiring Person.

(nn) 'Merger' shall mean the merger of Sub with and into the Company in accordance with the New Jersey Business Corporation Act upon the terms and subject to the conditions set forth in the Merger Agreement.

(oo) 'Merger Agreement' shall mean the Agreement and Plan of Merger, dated as of July 26, 1999, by and among Parent, Sub and the Company, as the same shall be amended from time to time in accordance with the Merger Agreement.

(pp) 'Option Agreement' shall mean the Option Agreement, dated as of July 26, 1999, by and between the Company and Parent, as the same shall be amended from time to time in accordance with the Option Agreement.

(qq) 'Parent' shall mean Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales.

(rr) 'Parent Shareholder Agreements' shall mean the Shareholder Agreements, dated as of July 26, 1999, by and between Parent and each of Robert A. Vukovich and Yamanouchi Group Holdings Inc., as the same shall be amended from time to time in accordance with the Parent Shareholder Agreements.

(ss) 'Sub' shall mean Ruby Acquisition Sub Inc., a New Jersey corporation."

Section 2. References to "15% Shareholder".

Except for Section 1(n) of the Rights Agreement (which shall be amended in accordance with Section 1(c) of this Amendment), each reference to "15% Shareholder" in the Rights Agreement is hereby amended to read "10% Shareholder".

Section 3. Expiration Date.

Section 7(a) of the Rights Agreement is hereby amended by:

(a) removing the word "or" immediately after "(i) the close of business on the Final Expiration Date,";

(b) inserting immediately after "as provided in Section 23 hereof" the following: "and (iii) immediately prior to the Effective Time (as defined in the Merger Agreement)"; and

(c) replacing the word "and" immediately preceding the symbol "(ii)" contained in the last parenthetical therein with "," and inserting "and (iii)" immediately after the symbol "(ii)" in the same parenthetical.

Section 4. Amendment to Section 11(a)(ii).

Section 11(a)(ii) of the Rights Agreement is hereby amended by adding to the end thereof the following:

"Notwithstanding anything contained in this Section 11(a)(ii) to the contrary, the approval, execution and delivery of the Merger Agreement, the Option Agreement and the Parent Shareholder Agreements and the consummation of the transactions contemplated thereby shall be excluded and exempt from the operation of and will not trigger the provisions of this Section 11(a)(ii)."

Section 5. Amendment to Section 13.

Section 13 of the Rights Agreement is hereby amended by adding to the end thereof the following:

"Notwithstanding anything contained in this Section 13 to the contrary, the approval, execution, and delivery of the Merger Agreement, the Option Agreement and the Parent Shareholder Agreements and the consummation of the transactions contemplated thereby shall be excluded and exempt from the operation of and will not trigger the provisions of this Section 13."

Section 6. Amendment to Section 27.

The reference to "15% thresholds" in the second sentence of Section 27 of the Rights Agreement is hereby amended to read "10% thresholds".

Section 7. New Section 35.

The following is added as a new Section 35 to the Rights Agreement:

"Section 35. The Merger, etc.

Notwithstanding anything contained in this Agreement to the contrary, neither (a) the approval, execution and delivery of the Merger Agreement, the Option Agreement and the Parent Shareholder Agreements and the consummation of the transactions contemplated thereby, (b) the giving of an Exercise Notice (as defined in the Option

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Agreement) nor (c) the exercise of voting rights granted under the Parent Shareholder Agreements shall cause (i) Parent or Sub or any of their Affiliates or Associates to be an Acquiring Person, (ii) a Stock Acquisition Date to occur or (iii) a Distribution Date to occur."

Section 8. Severability. If any term, provision, covenant or

restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Amendment shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 9. Governing Law. This Amendment shall be deemed to be a

contract made under the laws of the State of New Jersey and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State.

Section 10. Counterparts. This Amendment may be executed in any

number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 11. Effect of Amendment. Except as expressly modified

herein, the Rights Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed all as of the day and year first above written.

ROBERTS PHARMACEUTICAL CORPORATION

By: \s\ John T. Spitznagel

Name: John T. Spitznagel

Title: President and Chief
Executive Officer

CONTINENTAL STOCK TRANSFER
& TRUST COMPANY

By: \s\ Steven Nelson

Name: Steven Nelson

Title: Chief Executive Officer

SHAREHOLDER AGREEMENT

SHAREHOLDER AGREEMENT (this "Agreement"), dated as of July 26, 1999 by and between Robert A. Vukovich ("Shareholder"), and Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales ("Shire").

WHEREAS, concurrently herewith, Ruby Acquisition Sub Inc., Shire and Roberts Pharmaceutical Corporation, a New Jersey corporation ("Roberts"), are entering into an Agreement and Plan of Merger of even date herewith (such Agreement in the form attached hereto as Exhibit A as it may be subsequently amended or modified (other than a reduction in the Merger Consideration (as defined therein)) being the "Merger Agreement"), pursuant to which a newly formed, wholly owned subsidiary of Shire will merge with and into Roberts (the "Merger"); and

WHEREAS, Shareholder owns, as of the date hereof, 1,733,671 shares of common stock, \$.01 par value per share (the "Common Stock") of Roberts (the "Existing Shares", together with any shares of Common Stock acquired after the date hereof and prior to the termination hereof, hereinafter collectively referred to as the "Shares"); and

WHEREAS, Shire has entered into the Merger Agreement in reliance on Shareholder's representations, warranties, covenants and agreements set forth herein and Shareholder has entered into the Agreement in reliance on Shire's representations, warranties, covenants and agreements set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, and intending to be legally bound hereby, it is agreed as follows:

1. Voting Agreement. Shareholder agrees to vote and otherwise act (including

pursuant to written consent) with respect to all of the Shares, for the approval and the adoption of the Merger Agreement, all agreements related to the Merger and any actions required to be approved by shareholders related thereto, and against any proposal or transaction which could prevent or delay the consummation of the transactions contemplated by the Merger Agreement, at any meeting or meetings of

the shareholders of Roberts, and at any adjournment, postponement or continuation thereof, at which the Merger Agreement and other related agreements (or any amended version or versions thereof), or such other actions are

submitted for the consideration and vote of the shareholders of Roberts. The foregoing shall remain in effect with respect to the Shares, until the termination of this Section as set forth in Section 7. Shareholder agrees to attend or cause a duly authorized representative of Shareholder to attend any meeting or meetings of the shareholders to which this Section 1 applies, either in person or by proxy, and to vote the Shares in accordance with the terms hereof.

2. Representations and Warranties of Shareholder. Shareholder represents and

warrants to Shire as follows:

2.1 Ownership of Shares. On the date hereof the Existing Shares are

all of the Shares currently beneficially owned by Shareholder. On the Closing Date, the Shares will constitute all of the shares of Common Stock owned beneficially by Shareholder. Shareholder has no rights to acquire any additional shares of Common Stock other than pursuant to currently outstanding stock options.

2.2 Authority; Binding Agreement. Shareholder has the full legal

right, power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Shareholder will not violate any other agreement to which Shareholder is a party including, without limitation, any voting agreement, shareholders agreement or voting trust. This Agreement has been duly executed and delivered by Shareholder and constitutes a legal, valid and binding agreement of Shareholder, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect affecting creditors' rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shareholder of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shareholder or the Shares, (ii) constitute a violation of, conflict with or constitute a default under, any material contract, commitment, agreement, understanding, arrangement or other

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restriction of any kind to which Shareholder is a party or by which Shareholder is bound.

2.3 Reliance on Agreement. Shareholder understands and acknowledges

that Shire is entering into the Merger Agreement in reliance upon Shareholder's execution and delivery of this Agreement.

3. Certain Covenants of Shareholder. Except in accordance with the provisions

of this Agreement, Shareholder agrees with, and covenants to, Shire as follows:

3.1 Actions Inconsistent with this Agreement. For so long as

Shareholder is obligated to vote in favor of the Merger set forth in Section 1, Shareholder shall not (i) transfer (which term shall include, without limitation, for the purposes of this Agreement, any sale, gift, pledge (other than a pledge or collateral assignment effected in connection with any contract or other agreement relating to the Shares, including, without limitation, contracts commonly known as "cashless collar agreements" or "liquidity contracts" or other derivative arrangements so long as the parties thereto other than the Shareholder cannot exercise any voting rights with respect to such Shares until May 15, 2000), assignment, encumbrance or other disposition), or consent to any transfer of, any or all of the Shares or any interest therein, except pursuant to the Merger or (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all such Shares or any interest therein unless, in either case, (x) the transferee of such Shares is an affiliate of such Shareholder, including without limitation, any trust or similar arrangement pursuant to which the Shareholder retains the power to vote the Shares as trustee or otherwise, or is otherwise reasonably acceptable to Shire and such transferee agrees, in a writing reasonably acceptable to Shire, to vote such Shares in accordance with the terms of Section 1 as if such transferee were the Shareholder and (y) such transaction does not occur within 30 days as of the Effective Time. In addition, until Section 1 has terminated in accordance with paragraph 7, Shareholder shall not grant any proxy, power-of-attorney or other authorizations in or with respect to such Shares or deposit such Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares in any way inconsistent with the terms of this Agreement.

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3.2 Solicitation. Until consummation of the Merger, Shareholder

shall not, and shall direct their investment bankers, attorneys or other advisers or representatives not to, directly or indirectly, (i) solicit or initiate (including by way of furnishing or disclosing non-public information) any inquiries or the making of any proposal with respect to a Roberts Acquisition Transaction (as defined in the Merger Agreement) or (ii) negotiate, explore or otherwise engage in discussions with any person (other than Shire and its representatives) with respect to any Roberts Acquisition Transaction, or which may reasonably be expected to lead to a proposal for a Roberts Acquisition Transaction or enter into any agreement, arrangement or understanding with respect to any such Roberts Acquisition Transaction or which would require it to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement; provided, however, that Shareholder may, in

response to an unsolicited written proposal from a third party regarding a Roberts Superior Proposal (as defined in the Merger Agreement), furnish

information to, negotiate or otherwise engage in discussions with such third party, if the Board of Directors of Roberts determines in good faith, after consultation with its financial advisors and based upon advice of outside counsel that such action is required for the Board of Directors to comply with its fiduciary duties under applicable law.

3.3 Holdback Agreement. Unless the managing underwriter otherwise

agrees, Shareholder agrees to use his reasonable best efforts to cause his affiliates to agree, in connection with any underwritten registration of Shire ordinary shares, nominal value five pence (the "Ordinary Shares"), not to effect any public sale or private offer or distribution of any Ordinary Shares, or American Depositary Shares representing three Ordinary Shares (the "Shire ADSs") during the ten business days prior to the effectiveness under the Securities Act of any underwritten registration and during the 90 days following the effectiveness under the Securities Act of 1933, as amended (the "Securities Act") of any underwritten registration (except, if applicable, as part of such underwritten registration).

3.4 Shareholder shall not reduce its risk relative to any Ordinary Shares or Shire ADSs (each as defined in the Merger Agreement) received in the Merger as a result of its ownership of the Shares prior to the publication of not less

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than 30 days of financial results covering the post-Merger combined operations of Shire and Roberts. Shire will cause such results to be published as soon as reasonably practicable after the Effective Time under the Merger Agreement.

4. Representations and Warranties of Shire. Shire represents and warrants to

Shareholder as follows:

Shire has full legal right, power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Shire will not violate any other agreement to which Shire is a party. This Agreement has been duly executed and delivered by Shire and constitutes a legal, valid and binding agreement of Shire, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect, affecting creditors rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shire of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shire or the Shares, except for the action contemplated by Section 5.2, or (ii) constitute a violation of, conflict with or constitute a default under, any contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Shire is a party or by which it is bound.

5. Certain Covenants of Shire. Shire represents and warrants to Shareholder as

follows:

5.1 [Intentionally omitted.]

5.2 Registration Rights of Shareholder.

(a) Shelf Registration. Promptly following the Effective Time (as

defined in the Merger Agreement), Shire shall commence the registration of Shareholder's Shire ADSs received in the Merger (collectively the "Registrable Securities") on Form S-3 for an offering pursuant to Rule 415 promulgated by the Securities and Exchange Commission (the "SEC"). Such registration statement may include Shire ADSs received by other

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Roberts shareholders in the Merger. Any such shelf registration shall cover the disposition of all Registrable Securities and such other Shire ADSs in one or more underwritten offerings, block transactions, broker transactions, at-market transactions and in such other manner or manners as may be specified by the Shareholder. Shire shall use its reasonable best efforts to cause such registration statement to become effective within 180 days of the Effective Time and keep such registration continuously effective until the second anniversary of the Closing Date. In furtherance of such obligation, Shire shall supplement or amend such registration statement if, as and when required by the rules, regulations and instructions applicable to the form used by Shire for such registration or by the Securities Act or by any other rules and regulations thereunder applicable to shelf registrations. Notwithstanding the foregoing, it shall not be deemed a violation of this paragraph if pending a material corporate transaction, Shire issues a notice that the registration statement, or the prospectus contained therein, is unusable (as not being current as to disclosure), or such notice is required under applicable securities laws to be issued by Shire, and the aggregate number of days in any consecutive twelve month period for which the registration statement, or the prospectus contained therein, is unusable pursuant to all such notices has not exceeded 90 days in the aggregate.

(b) Issuer Registration. If Shire shall determine to register any

Shire ADSs either for its own account or the account of a security holder or holders other than a registration relating solely with respect to employee benefit plans, or a registration relating to paragraph (a) above, a registration on any registration form which does not permit secondary sales, Shire will:

- (i) promptly give to the Shareholder written notice thereof; and
- (ii) include in such registration statement all Registrable

Securities specified in a written request made by the Shareholder within ten (10) days after receipt of the written notice from Shire described in clause (i) above, except as set forth in paragraph (c) below. Such written request may specify all or part of the Shareholder's Registrable Securities.

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The right of the Shareholder to registration pursuant to this paragraph (b) shall be conditioned upon the Shareholder's providing all information required of a selling shareholder under the Securities Act. The Shareholder shall, if he proposes to distribute its Registrable Securities through such underwriting, enter into an underwritten offering in customary form with the representative of the underwriter or underwriters selected by Shire.

(c) Priority. Notwithstanding the provisions of Section 5.2(b), if

the representative of the underwriters advises Shire in writing that marketing factors require a limitation or elimination on the number of shares to be included in the offering covered by Section 5.2(b), the representative may (subject to the allocation priority set forth below) limit the number of Registrable Securities to be included in the registration statement. Shire shall so advise all holders of securities requesting registration, and the number of Shire ADSs that are entitled to be included in the registration statement shall be allocated first to Shire for securities being sold for its own account, and thereafter the number of Shire ADSs that may be included in the registration statement shall be allocated among the Shareholder and other shareholders of Shire in proportion, as nearly as practicable, to the respective amounts of Shire ADSs which they had requested to be included in such registration at the time of filing the registration statement. If the Shareholder or any other shareholder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to Shire and the underwriter.

(d) Expenses of Registration. All Registration Expenses incurred in

connection with any registration pursuant to this Section 5.2 shall be borne by Shire and all Selling Expenses shall be borne by the holders of the securities so registered pro rata on the basis of the number of their shares sold.

"Registration Expenses" shall mean all expenses incurred by Shire in connection

with the registration rights granted hereunder, including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel and the expenses of any special audits incident to or required by any such registration. "Selling Expenses" shall mean all underwriting discounts and

commissions together with all expenses of the shareholder(s).

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(e) Registration Procedures. In the case of each registration

effected by Shire pursuant to this Section 5.2, Shire will keep the Shareholder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, Shire will:

(i) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(ii) Furnish such number of prospectuses and other documents incident thereto, including any amendment of or supplement to the prospectus, as the Shareholder from time to time may reasonably request; and

(iii) Notify the Shareholder at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to the Shareholder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing.

(f) Cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by Shire are then listed.

6. Indemnification.

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6.1 Shire will indemnify Shareholder and each Person who controls Shareholder within the meaning of the Securities Act and the rules and regulations thereunder with respect to which registration has been effected pursuant to Section 5.2, against all claims, losses, damages and liabilities (or actions, proceedings or settlements in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus (including any related registration statement) incident to any such registration, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or

necessary to make the statements therein not misleading, or any violation by Shire of the Securities Act or the Exchange Act or any rule or regulation thereunder applicable to Shire and relating to action or inaction required of Shire in connection with any such registration, and will reimburse Shareholder and each Person controlling Shareholder for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability or action, provided that Shire will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission based upon written information furnished to Shire by Shareholder and stated to be specifically for use therein, or in the case of a non-underwritten public offering, the failure of Shareholder to deliver prospectuses as required by the Securities Act.

6.2 Shareholder will, if Registrable Securities held by it are included in the securities as to which such registration is being effected, indemnify Shire, each of its officers, directors and employees, and each Person who controls Shire within the meaning of the Securities Act and the rules and regulations thereunder, against all claims, losses, damages and liabilities (or actions, proceedings or settlements in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement or prospectus, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by Shareholder of the Securities Act or the Exchange Act or any rule or regulation thereunder applicable to Shareholder and relating to action or inaction required of Shareholder in connection with any such registration, and will reimburse Shire, each of its

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officers, directors and employees, and each Person who controls Shire, for any legal or any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement or prospectus in reliance upon and in conformity with written information furnished to Shire by Shareholder and stated to be specifically for use therein; provided, however, that the obligations of Shareholder hereunder shall be limited to an amount equal to the proceeds to Shareholder of securities sold as contemplated herein.

6.3 Each party entitled to indemnification under this Section 6 (the "Indemnified Party") shall give notice to the party required to provide

indemnification (the "Indemnifying Party") promptly after such Indemnified Party

has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying

Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 6. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may require in connection with defense of such claim and litigation resulting therefrom.

7. Termination. Subject to the rights of the parties to pursue any claims

arising out of breaches of representations, warranties, covenants and agreements that occur prior to such termination, this Agreement shall terminate on the earlier of (i) the termination of the Merger Agreement in accordance with its

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terms, (ii) the second anniversary of the Closing Date (as defined in the Merger Agreement), (iii) if the Merger Agreement is amended to decrease the Merger Consideration (as defined in the Merger Agreement) per share and (iv) December 31, 1999 if the Effective Time has not occurred by such date. Section 1 hereof will terminate upon the earlier of the termination of this Agreement in accordance with the previous sentence or the Effective Time.

8. Miscellaneous.

8.1 Survival of Representations and Warranties. All representations,

warranties, covenants and agreements made in this Agreement shall survive the date hereof and any investigation at any time made by or on behalf of any party.

8.2 Notices. All notices, requests, claims, demands and other

communications under this Agreement shall be in writing and shall be delivered personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of

address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied or one day after delivery to a courier for next-day delivery.

If to Shire:

Shire Pharmaceuticals Group plc
East Anton
Andover, Hants SP 10 5RG
United Kingdom
Telecopy: 011 44 1 264 334 658
Attention: Rolf Stahel, Chief Executive

with copies to:

John P. Mitchell, Esq.
Cahill Gordon & Reindel
80 Pine Street
New York, NY 10005
Telephone: (212) 701-3000
Telecopy: (212) 269-5420

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If to Shareholder:

Dr. Robert A. Vukovich
7 Taylor Run
Holmdel, N.J. 07733

with a copy to:

John A. Aiello, Esq.
Giordano, Halleran & Ciesla P.C.
125 Half Mile Road
Middleton, N.J. 07748
Fax: 732-224-6599

8.3 Entire Agreement. This Agreement, together with the documents

expressly referred to herein, constitute the entire agreement and supersede all
other prior agreements and understandings, both written and oral, between the
parties, with respect to the subject matter contained herein.

8.4 Amendments. This Agreement may not be modified, amended, altered

or supplemented, except upon the execution and delivery of a written agreement
executed by the parties hereto.

8.5 Assignment. This Agreement shall be binding upon and inure to

the benefit of the parties hereto and their respective successors, assigns and
personal representatives, but, other than as contemplated by Section 3.1,
neither this Agreement nor any of the rights, interests or obligations hereunder
shall be assigned by any of the parties hereto without the prior written consent

of the other parties.

8.6 Public Announcements. Each of Shire and Shareholder agrees that

it will not issue any press release or otherwise make any public statement with respect to this Agreement, the Merger Agreement or the transactions contemplated hereby or thereby without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

8.7 Governing Law. This Agreement, and all matters relating hereto,

shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

8.8 Injunctive Relief; Jurisdiction. Shareholder agrees that

irreparable damage would occur and that Shire would

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not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that Shire shall be entitled to an injunction or injunctions to prevent breaches by Shareholder of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York, Borough of Manhattan, or in New York state court located in the Borough of Manhattan, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit such party to the personal jurisdiction of any Federal court located in the State of New York, Borough of Manhattan or in New York State Court located in the Borough of Manhattan in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that such party will not attempt to deny or defeat such party to the personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that such party will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than a Federal or state court sitting in the State of New York, located in the Borough of Manhattan.

8.9 Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.

8.10 Descriptive Headings. The descriptive headings used herein are

inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

8.11 Severability. Any term or provision of this Agreement which is

invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

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8.12 Further Assurances. Each party hereto shall execute and deliver

such additional documents as may be necessary or desirable to consummate the transactions contemplated by this Agreement.

8.13 Third-Party Beneficiaries. Otherwise than as contemplated by

Section 3.1, nothing in this Agreement, expressed or implied, shall be construed to give any person other than the parties hereto any legal or equitable right, remedy or claim under or by reason of this Agreement or any provision contained herein.

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IN WITNESS WHEREOF, Shire and Shareholder have caused this Agreement to be executed by their duly authorized officers, as of the date and year first above written.

SHIRE PHARMACEUTICALS GROUP PLC

By: /s/ Rolf Stahel

Name: Rolf Stahel

Title: Chief Executive

ROBERT A. VUKOVICH

/s/ Robert A. Vukovich

Robert A. Vukovich

SHAREHOLDER AGREEMENT

SHAREHOLDER AGREEMENT (this "Agreement"), dated as of July 26, 1999 by and between Yamanouchi Group Holdings Inc. ("Shareholder"), and Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales ("Shire").

WHEREAS, concurrently herewith, Ruby Acquisition Sub Inc., Shire and Roberts Pharmaceutical Corporation, a New Jersey corporation ("Roberts"), are entering into an Agreement and Plan of Merger of even date herewith (such Agreement in the form attached hereto as Exhibit A as it may be subsequently amended or modified (other than a reduction in the Merger Consideration (as defined therein)) being the "Merger Agreement"), pursuant to which a newly formed, wholly owned subsidiary of Shire will merge with and into Roberts (the "Merger"); and

WHEREAS, Shareholder owns, as of the date hereof, 5,048,500 shares of common stock, \$.01 par value per share (the "Common Stock") of Roberts (the "Existing Shares", together with any shares of Common Stock acquired after the date hereof and prior to the termination hereof, hereinafter collectively referred to as the "Shares"); and

WHEREAS, Shire has entered into the Merger Agreement in reliance on Shareholder's representations, warranties, covenants and agreements set forth herein and Shareholder has entered into the Agreement in reliance on Shire's representations, warranties, covenants and agreements set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, and intending to be legally bound hereby, it is agreed as follows:

1. Voting Agreement. Shareholder agrees to vote and otherwise act (including

pursuant to written consent) with respect to all of the Shares, for the approval and the adoption of the Merger Agreement, all agreements related to the Merger and any actions required to be approved by shareholders related thereto, and against any proposal or transaction which could prevent or delay the consummation of the transactions contemplated by the Merger Agreement, at any meeting or meetings of

the shareholders of Roberts, and at any adjournment, postponement or

continuation thereof, at which the Merger Agreement and other related agreements (or any amended version or versions thereof), or such other actions are submitted for the consideration and vote of the shareholders of Roberts. The foregoing shall remain in effect with respect to the Shares, until the termination of this Section as set forth in Section 7. Shareholder agrees to cause a duly authorized representative of Shareholder to attend any meeting or meetings of the shareholders to which this Section 1 applies, either in person or by proxy, and to vote the Shares in accordance with the terms hereof.

2. Representations and Warranties of Shareholder. Shareholder represents and

warrants to Shire as follows:

2.1 Ownership of Shares. On the date hereof the Existing Shares are

all of the Shares currently beneficially owned by Shareholder. On the Closing Date, the Shares will constitute all of the shares of Common Stock owned beneficially by Shareholder. Shareholder has no rights to acquire any additional shares of Common Stock other than under the terms of the Stock Purchase Agreement between the Shareholder and Roberts, dated as of January 22, 1992 and other than for the Shareholder's right of first refusal granted under its agreement with Robert Vukovich.

2.2 Authority; Binding Agreement. Shareholder has the full legal

right, power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Shareholder will not violate any other agreement to which Shareholder is a party including, without limitation, any voting agreement, shareholders agreement or voting trust. This Agreement has been duly executed and delivered by Shareholder and constitutes a legal, valid and binding agreement of Shareholder, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect affecting creditors' rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shareholder of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shareholder

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or the Shares, (ii) constitute a violation of, conflict with or constitute a default under, any material contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Shareholder is a party or by which Shareholder is bound.

2.3 Reliance on Agreement. Shareholder understands and acknowledges

that Shire is entering into the Merger Agreement in reliance upon Shareholder's

execution and delivery of this Agreement.

3. Certain Covenants of Shareholder. Except in accordance with the provisions

of this Agreement, Shareholder agrees with, and covenants to, Shire as follows:

3.1 Actions Inconsistent with this Agreement. For so long as

Shareholder is obligated to vote in favor of the Merger set forth in Section 1, Shareholder shall not (i) transfer (which term shall include, without limitation, for the purposes of this Agreement, any sale, gift, pledge, assignment, encumbrance or other disposition), or consent to any transfer of, any or all of the Shares or any interest therein, except pursuant to the Merger or (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all such Shares or any interest therein unless, in either case, (x) the transferee of such Shares is an affiliate of such Shareholder or is otherwise reasonably acceptable to Shire and such transferee agrees, in a writing reasonably acceptable to Shire, to vote such Shares in accordance with the terms of Section 1 as if such transferee were the Shareholder and (y) such transaction does not occur within 30 days as of the Effective Time. In addition, until Section 1 has terminated in accordance with paragraph 7, Shareholder shall not grant any proxy, power-of-attorney or other authorizations in or with respect to such Shares or deposit such Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares in any way inconsistent with the terms of this Agreement.

3.2 Solicitation. Until consummation of the Merger, Shareholder

shall not, and shall direct their investment bankers, attorneys or other advisers or representatives not to, directly or indirectly, (i) solicit or initiate (including by way of furnishing or disclosing non-public information) any inquiries or the making of any proposal with respect to a Roberts

Acquisition Transaction (as defined in the Merger Agreement) or (ii) negotiate, explore or otherwise engage in discussions with any person (other than Shire and its representatives) with respect to any Roberts Acquisition Transaction, or which may reasonably be expected to lead to a proposal for a Roberts Acquisition Transaction or enter into any agreement, arrangement or understanding with respect to any such Roberts Acquisition Transaction or which would require it to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement; provided, however, that Shareholder may, in

response to an unsolicited written proposal from a third party regarding a Roberts Superior Proposal (as defined in the Merger Agreement), furnish information to, negotiate or otherwise engage in discussions with such third party, if the Board of Directors of Roberts determines in good faith, after consultation with its financial advisors and based upon advice of outside counsel that such action is required for the Board of Directors to comply with

its fiduciary duties under applicable law.

3.3 Holdback Agreement. Unless the managing underwriter otherwise

agrees, Shareholder agrees to use its reasonable best efforts to cause its affiliates to agree, in connection with any underwritten registration of Shire ordinary shares, nominal value five pence (the "Ordinary Shares"), not to effect any public sale or private offer or distribution of any Ordinary Shares, or American Depositary Shares representing three Ordinary Shares (the "Shire ADSs") during the ten business days prior to the effectiveness under the Securities Act of any underwritten registration and during the 90 days following the effectiveness under the Securities Act of 1933, as amended (the "Securities Act") of any underwritten registration (except, if applicable, as part of such underwritten registration).

3.4 Shareholder shall not reduce its risk relative to any Ordinary Shares or Shire ADSs (each as defined in the Merger Agreement) received in the Merger as a result of its ownership of the Shares prior to the publication of not less than 30 days of financial results covering the post-Merger combined operations of Shire and Roberts. Shire will cause such results to be published as soon as reasonably practicable after the Effective Time under the Merger Agreement.

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4. Representations and Warranties of Shire. Shire represents and warrants to

Shareholder as follows:

Shire has full legal right, power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Shire will not violate any other agreement to which Shire is a party. This Agreement has been duly executed and delivered by Shire and constitutes a legal, valid and binding agreement of Shire, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect, affecting creditors rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shire of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shire or the Shares, except for the action contemplated by Section 5.2, or (ii) constitute a violation of, conflict with or constitute a default under, any contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Shire is a party or by which it is bound.

5. Certain Covenants of Shire. Shire represents and warrants to Shareholder as

follows:

5.1 Without the consent of Shareholder, Shire will not, prior to the second anniversary of the Closing Date (as defined in the Merger Agreement), (i) dispose of any of its stock in the Surviving Corporation or (ii) permit the Surviving Corporation to dispose of substantially all of its assets. Thereafter, until the fifth anniversary of the Closing Date, to the extent permitted by applicable law, Shire will give Shareholder not less than 60 days written notice of its intention to engage in a transaction described in clause (i) or (ii) of the preceding sentence.

5.2 Registration Rights of Shareholder.

(a) Shelf Registration. Promptly following the Effective Time (as -----

defined in the Merger Agreement), Shire shall commence the registration of Shareholder's Shire ADSs received in the Merger (collectively the "Registrable Securities") on

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Form S-3 for an offering pursuant to Rule 415 promulgated by the Securities and Exchange Commission (the "SEC"). Such registration statement may include Shire ADSs received by other Roberts shareholders in the Merger. Any such shelf registration shall cover the disposition of all Registrable Securities and such other Shire ADSs in one or more underwritten offerings, block transactions, broker transactions, at-market transactions and in such other manner or manners as may be specified by the Shareholder. Shire shall use its reasonable best efforts to cause such registration statement to become effective within 180 days of the Effective Time and keep such registration continuously effective until the second anniversary of the Closing Date. In furtherance of such obligation, Shire shall supplement or amend such registration statement if, as and when required by the rules, regulations and instructions applicable to the form used by Shire for such registration or by the Securities Act or by any other rules and regulations thereunder applicable to shelf registrations. Notwithstanding the foregoing, it shall not be deemed a violation of this paragraph if pending a material corporate transaction, Shire issues a notice that the registration statement, or the prospectus contained therein, is unusable (as not being current as to disclosure), or such notice is required under applicable securities laws to be issued by Shire, and the aggregate number of days in any consecutive twelve month period for which the registration statement, or the prospectus contained therein, is unusable pursuant to all such notices has not exceeded 90 days in the aggregate.

(b) Issuer Registration. If Shire shall determine to register any -----

Shire ADSs either for its own account or the account of a security holder or holders other than a registration relating solely with respect to employee benefit plans, or a registration relating to paragraph (a) above, a registration on any registration form which does not permit secondary sales, Shire will:

(i) promptly give to the Shareholder written notice thereof; and

(ii) include in such registration statement all Registrable Securities specified in a written request made by the Shareholder within ten (10) days after receipt of the written notice from Shire described in clause (i) above, except as set forth in paragraph (c) below. Such written

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request may specify all or part of the Shareholder's Registrable Securities.

The right of the Shareholder to registration pursuant to this paragraph (b) shall be conditioned upon the Shareholder's providing all information required of a selling shareholder under the Securities Act. The Shareholder shall, if it proposes to distribute its Registrable Securities through such underwriting, enter into an underwritten offering in customary form with the representative of the underwriter or underwriters selected by Shire.

(c) Priority. Notwithstanding the provisions of Section 5.2(b), if

the representative of the underwriters advises Shire in writing that marketing factors require a limitation or elimination on the number of shares to be included in the offering covered by Section 5.2(b), the representative may (subject to the allocation priority set forth below) limit the number of Registrable Securities to be included in the registration statement. Shire shall so advise all holders of securities requesting registration, and the number of Shire ADSs that are entitled to be included in the registration statement shall be allocated first to Shire for securities being sold for its own account, and thereafter the number of Shire ADSs that may be included in the registration statement shall be allocated among the Shareholder and other shareholders of Shire in proportion, as nearly as practicable, to the respective amounts of Shire ADSs which they had requested to be included in such registration at the time of filing the registration statement. If the Shareholder or any other shareholder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to Shire and the underwriter. Notwithstanding this clause (c), in any underwritten primary offering for cash, Shire will ensure that Shareholder will be allowed to participate in the offering to the extent of not less than 20% of the aggregate number of Shire ADSs to be offered.

(d) Expenses of Registration. All Registration Expenses incurred in

connection with any registration pursuant to this Section 5.2 shall be borne by Shire and all Selling Expenses shall be borne by the holders of the securities so registered pro rata on the basis of the number of their shares sold.

"Registration Expenses" shall mean all expenses incurred by Shire in connection

with the registration rights granted hereunder, including, without limitation, all registration and

filing fees, printing expenses, fees and disbursements of counsel and the expenses of any special audits incident to or required by any such registration. "Selling Expenses" shall mean all underwriting discounts and commissions

together with all expenses of the shareholder(s).

(e) Registration Procedures. In the case of each registration

effected by Shire pursuant to this Section 5.2, Shire will keep the Shareholder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, Shire will:

(i) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(ii) Furnish such number of prospectuses and other documents incident thereto, including any amendment of or supplement to the prospectus, as the Shareholder from time to time may reasonably request; and

(iii) Notify the Shareholder at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to the Shareholder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing.

(f) Cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by Shire are then listed.

6. Indemnification.

6.1 Shire will indemnify Shareholder, each of its officers, directors and employees, and each Person who controls Shareholder within the meaning of the Securities Act and the rules and regulations thereunder, with respect to which registration has been effected pursuant to Section 5.2, against all claims, losses, damages and liabilities (or actions, proceedings or settlements in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus (including any related registration statement) incident to any such registration, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by Shire of the Securities Act or the Exchange Act or any rule or regulation thereunder applicable to Shire and relating to action or inaction required of Shire in connection with any such registration, and will reimburse Shareholder, each of its officers, directors and employees, and each Person controlling Shareholder, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability or action, provided that Shire will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission based upon written information furnished to Shire by Shareholder and stated to be specifically for use therein, or in the case of a non-underwritten public offering, the failure of Shareholder to deliver prospectuses as required by the Securities Act.

6.2 Shareholder will, if Registrable Securities held by it are included in the securities as to which such registration is being effected, indemnify Shire, each of its officers, directors and employees, and each Person who controls Shire within the meaning of the Securities Act and the rules and regulations thereunder, against all claims, losses, damages and liabilities (or actions, proceedings or settlements in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any

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such registration statement or prospectus, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by Shareholder of the Securities Act or the Exchange Act or any rule or regulation thereunder applicable to Shareholder and relating to action or inaction required of Shareholder in connection with any such registration, and will reimburse Shire, each of its officers, directors and employees, and each Person who controls Shire, for any legal or any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement or prospectus in reliance upon and in conformity with written information furnished to Shire by Shareholder and stated to be specifically for use therein; provided, however, that the obligations of Shareholder hereunder shall be limited to an amount equal to the

proceeds to Shareholder of securities sold as contemplated herein.

6.3 Each party entitled to indemnification under this Section 6 (the "Indemnified Party") shall give notice to the party required to provide

indemnification (the "Indemnifying Party") promptly after such Indemnified Party

has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 6. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying

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Party may require in connection with defense of such claim and litigation resulting therefrom.

7. Termination. Subject to the rights of the parties to pursue any claims

arising out of breaches of representations, warranties, covenants and agreements that occur prior to such termination, this Agreement shall terminate on the earlier of (i) the termination of the Merger Agreement in accordance with its terms, (ii) the second anniversary of the Closing Date (as defined in the Merger Agreement), (iii) if the Merger Agreement is amended to decrease the Merger Consideration (as defined in the Merger Agreement) per share and (iv) December 31, 1999 if the Effective Time has not occurred by such date. Section 1 hereof will terminate upon the earlier of the termination of this Agreement in accordance with the previous sentence or the Effective Time.

8. Miscellaneous.

8.1 Survival of Representations and Warranties. All representations, warranties, covenants and agreements made in this Agreement shall survive the date hereof and any investigation at any time made by or on behalf of any party.

8.2 Notices. All notices, requests, claims, demands and other

communications under this Agreement shall be in writing and shall be delivered personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of

address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied or one day after delivery to a courier for next-day delivery.

If to Shire:

Shire Pharmaceuticals Group plc
East Anton
Andover, Hants SP 10 5RG
United Kingdom
Telecopy: 011 44 1 264 334 658
Attention: Rolf Stahel, Chief Executive

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with copies to:

John P. Mitchell, Esq.
Cahill Gordon & Reindel
80 Pine Street
New York, NY 10005
Telephone: (212) 701-3000
Telecopy: (212) 269-5420

If to Shareholder:

Kaoru Kimura
c/o Yamanouchi Pharmaceutical Co. Ltd.
3-11, Nihonbashi - Honcho 2 - Chome
Chuo-ku, Tokyo 103 Japan

with a copy to:

Richard W. Canady, Esq.
Howard, Rice, et al
Three Embarcadero Center, 7th Floor
San Francisco, CA 94111
Telephone: (415) 434-1600
Telecopy: (415) 217-5910

8.3 Entire Agreement. This Agreement, together with the documents

expressly referred to herein, constitute the entire agreement and supersede all other prior agreements and understandings, both written and oral, between the

parties, with respect to the subject matter contained herein.

8.4 Amendments. This Agreement may not be modified, amended, altered

or supplemented, except upon the execution and delivery of a written agreement executed by the parties hereto.

8.5 Assignment. This Agreement shall be binding upon and inure to

the benefit of the parties hereto and their respective successors, assigns and personal representatives, but, other than as contemplated by Section 3.1, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties.

8.6 Public Announcements. Each of Shire and Shareholder agrees that

it will not issue any press release or otherwise make any public statement with respect to this Agreement,

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the Merger Agreement or the transactions contemplated hereby or thereby without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

8.7 Governing Law. This Agreement, and all matters relating hereto,

shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

8.8 Injunctive Relief; Jurisdiction. Shareholder agrees that

irreparable damage would occur and that Shire would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that Shire shall be entitled to an injunction or injunctions to prevent breaches by Shareholder of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York, Borough of Manhattan, or in New York state court located in the Borough of Manhattan, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit such party to the personal jurisdiction of any Federal court located in the State of New York, Borough of Manhattan or in New York State Court located in the Borough of Manhattan in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that such party will not attempt to deny or defeat such party to the personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that such party will not bring any action relating to this Agreement or any of the transactions contemplated hereby

in any court other than a Federal or state court sitting in the State of New York, located in the Borough of Manhattan.

8.9 Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.

8.10 Descriptive Headings. The descriptive headings used herein are

inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

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8.11 Severability. Any term or provision of this Agreement which is

invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

8.12 Further Assurances. Each party hereto shall execute and deliver

such additional documents as may be necessary or desirable to consummate the transactions contemplated by this Agreement.

8.13 Third-Party Beneficiaries. Otherwise than as contemplated by

Section 3.1, nothing in this Agreement, expressed or implied, shall be construed to give any person other than the parties hereto any legal or equitable right, remedy or claim under or by reason of this Agreement or any provision contained herein.

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IN WITNESS WHEREOF, Shire and Shareholder have caused this Agreement to be executed by their duly authorized officers, as of the date and year first above written.

SHIRE PHARMACEUTICALS GROUP PLC

By: \s\ Rolf Stahel

Name: Rolf Stahel
Title: Chief Executive

YAMANOUCHI GROUP HOLDINGS INC.

By: \s\ Akihiko Matsubara

Name: Akihiko Matsubara

Title: Manager

SHAREHOLDER AGREEMENT

SHAREHOLDER AGREEMENT (this "Agreement"), dated as of July 26, 1999 by and between HealthCare Ventures II, L.P. ("Shareholder"), and Roberts Pharmaceutical Corporation, a New Jersey corporation ("Roberts").

WHEREAS, concurrently herewith, Ruby Acquisition Sub Inc., Roberts and Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales ("Shire"), are entering into an Agreement and Plan of Merger of even date herewith (such Agreement in the form attached hereto as Exhibit A as it may be subsequently amended or modified (other than a reduction in the Merger Consideration (as defined therein)) being the "Merger Agreement"), pursuant to which a newly formed, wholly owned subsidiary of Sapphire will merge with and into Roberts (the "Merger"); and

WHEREAS, Shareholder owns, as of the date hereof, 3,554,720 ordinary shares, nominal value five pence per share (the "Ordinary Shares"), of Shire (the "Existing Shares", together with any Ordinary Shares acquired after the date hereof and prior to the termination hereof, hereinafter collectively referred to as the "Shares"); and

WHEREAS, Roberts has entered into the Merger Agreement in reliance on Shareholder's representations, warranties, covenants and agreements set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, and intending to be legally bound hereby, it is agreed as follows:

1. Voting Agreement. Shareholder agrees to vote (or cause to be voted) and

otherwise act (including pursuant to written consent) with respect to all of the Shares, for the approval and the adoption of the Merger Agreement, all agreements related to the Merger and any actions required to be approved by shareholders related thereto, and against any proposal or transaction which could prevent or delay the consummation of the transactions contemplated by this Agreement or the Merger Agreement, at any meeting or meetings of the shareholders of Shire, and at any adjournment, postponement or continuation

-2-

thereof, at which the Merger Agreement and other related agreements (or any amended version or versions thereof), or such other actions are submitted for the consideration and vote of the Shareholders of Shire. The foregoing shall remain in effect with respect to the Shares, until the termination of this

Agreement. Shareholder agrees to cause the Shares to be represented, in person or by proxy, at any meeting or meetings of the shareholders to which this Section 1 applies, and to vote the Shares in accordance with the terms hereof.

2. Representations and Warranties of Shareholder. Shareholder represents and

warrants to Roberts as follows:

2.1 Ownership of Shares. On the date hereof the Existing Shares are

all of the Ordinary Shares currently beneficially owned by Shareholder. On the Closing Date, the Shares will constitute all of the Ordinary shares of owned beneficially by Shareholder. Shareholder has no rights to acquire any additional Ordinary Shares.

2.2 Authority; Binding Agreement. Shareholder has the full legal

right, power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Shareholder will not violate any other agreement to which Shareholder is a party including, without limitation, any voting agreement, shareholders agreement or voting trust. This Agreement has been duly executed and delivered by Shareholder and constitutes a legal, valid and binding agreement of Shareholder, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect affecting creditors' rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shareholder of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shareholder or the Shares, (ii) constitute a violation of, conflict with or constitute a default under, any material contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Shareholder is a party or by which Shareholder is bound.

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2.3 Reliance on Agreement. Shareholder understands and acknowledges

that Roberts is entering into the Merger Agreement in reliance upon Shareholder's execution and delivery of this Agreement.

3. Certain Covenants of Shareholder. Except in accordance with the provisions

of this Agreement, Shareholder agrees with, and covenants to, Roberts as follows:

3.1 Actions Inconsistent with this Agreement. Shareholder shall not

(i) transfer (which term shall include, without limitation, for the purposes of

this Agreement, any sale, gift, pledge, assignment, encumbrance or other disposition) or consent to any transfer of, any or all of the Shares or any interest therein, except pursuant to the Merger, (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all such Shares or any interest therein, (iii) grant any proxy, power-of-attorney or other authorizations in or with respect to such Shares or (iv) deposit such Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares.

3.2 Solicitation. Until consummation of the Merger, Shareholder

shall not, and shall direct their investment bankers, attorneys or other advisers or representatives not to, directly or indirectly, (i) solicit or initiate (including by way of furnishing or disclosing non-public information) any inquires or the making of any proposal with respect to a Shire Acquisition Transaction (as defined in the Merger Agreement) or (ii) negotiate, explore or otherwise engage in discussions with any person (other than Roberts and its representatives) with respect to any Shire Acquisition Transaction, or which may reasonably be expected to lead to a proposal for a Shire Acquisition Transaction or enter into any agreement, arrangement or understanding with respect to any such Shire Acquisition Transaction or which would require it to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement; provided, however, that Shareholder may, in response to an

unsolicited written proposal from a third party regarding a Shire Superior Proposal (as defined in the Merger Agreement), furnish information to, negotiate or otherwise engage in discussions with such third party, if the Board of Directors of Shire determines in good faith, after consultation with its financial advisors and based upon advice of outside

counsel that such action is required for the Board of Directors to comply with its fiduciary duties under applicable law.

4. Termination. This Agreement shall terminate on the earlier of (i) the

termination of the Merger Agreement in accordance with its terms, (ii) if the Merger Agreement is amended to increase the Merger Consideration (as defined in the Merger Agreement) per share, (iii) the Effective Time or (iv) December 31, 1999.

5. Miscellaneous.

5.1 Survival of Representations and Warranties. All representations,

warranties, covenants and agreements made by Shareholder in this Agreement shall survive the date hereof and any investigation at any time made by or on behalf of any party.

5.2 Notices. All notices, requests, claims, demands and other

communications under this Agreement shall be in writing and shall be delivered personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of

address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied or one day after delivery to a courier for next-day delivery.

If to Roberts:

Meridian Center II
4 Industrial Way West
Eatontown, NJ 07724

Telecopy: (732) 676-1300
Attention: General Counsel

with copies to:

Lawrence Lederman, Esq.
Milbank, Tweed Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York

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Telephone: (212) 530-5000
Telecopy: (212) 530-5219

If to Shareholder:

HealthCare Ventures II, L.P.
Twin Towers at Metro Park
379 Thornall Street
Edison, NJ 08837

5.3 Entire Agreement. This Agreement, together with the documents

expressly referred to herein, constitute the entire agreement and supersede all other prior agreements and understandings, both written and oral, between the parties, with respect to the subject matter contained herein.

5.4 Amendments. This Agreement may not be modified, amended, altered

or supplemented, except upon the execution and delivery of a written agreement executed by the parties hereto.

5.5 Assignment. This Agreement shall be binding upon and inure to

the benefit of the parties hereto and their respective successors, assigns and personal representatives, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties.

5.6 Public Announcements. Each of Shire and Shareholder agrees that

it will not issue any press release or otherwise make any public statement with respect to this Agreement, the Merger Agreement or the transactions contemplated hereby or thereby without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

5.7 Governing Law. This Agreement, and all matters relating hereto,

shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

5.8 Injunctive Relief; Jurisdiction. Shareholder agrees that

irreparable damage would occur and that Roberts would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance

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with their specific terms or were otherwise breached. It is accordingly agreed that Roberts shall be entitled to an injunction or injunctions to prevent breaches by Shareholder of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York, Borough of Manhattan, or in New York state court located in the Borough of Manhattan, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit such party to the personal jurisdiction of any Federal court located in the State of New York, Borough of Manhattan or in New York State Court located in the Borough of Manhattan in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that such party will not attempt to deny or defeat such party to the personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that such party will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than a Federal or state court sitting in the State of New York, located in the Borough of Manhattan.

5.9 Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.

5.10 Descriptive Headings. The descriptive headings used herein are

inserted for convenience of reference only and are not intended to be part of or
to affect the meaning or interpretation of this Agreement.

5.11 Severability. Any term or provision of this Agreement which is

invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be
ineffective to the extent of such invalidity or unenforceability without
rendering invalid or unenforceable the remaining terms and provisions of this
Agreement or affecting the validity or enforceability of any of the terms or
provisions of this Agreement in any other jurisdiction. If any provision of
this Agreement is so broad as to be unenforceable, such provision shall be
interpreted to be only so broad as is enforceable.

5.12 Further Assurances. Each party hereto shall execute and deliver

such additional documents as may be necessary

-7-

or desirable to consummate the transactions contemplated by this Agreement.

5.13 Third-Party Beneficiaries. Nothing in this Agreement, expressed

or implied, shall be construed to give any person other than the parties hereto
any legal or equitable right, remedy or claim under or by reason of this
Agreement or any provision contained herein.

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IN WITNESS WHEREOF, Roberts and Shareholder have caused this Agreement
to be executed by their duly authorized officers, as of the date and year first
above written.

ROBERTS PHARMACEUTICAL CORPORATION

By: \s\ John T. Spitznagel

Name: John T. Spitznagel
Title: President and Chief
Executive Officer

HEALTHCARE VENTURES II, L.P.

By: \s\ James Cavanaugh

Name: James Cavanaugh
Title: General Partner

SHAREHOLDER AGREEMENT

SHAREHOLDER AGREEMENT (this "Agreement"), dated as of July 26, 1999 by and between HealthCare Ventures III, L.P. ("Shareholder"), and Roberts Pharmaceutical Corporation, a New Jersey corporation ("Roberts").

WHEREAS, concurrently herewith, Ruby Acquisition Sub Inc., Roberts and Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales ("Shire"), are entering into an Agreement and Plan of Merger of even date herewith (such Agreement in the form attached hereto as Exhibit A as it may be subsequently amended or modified (other than a reduction in the Merger Consideration (as defined therein)) being the "Merger Agreement"), pursuant to which a newly formed, wholly owned subsidiary of Sapphire will merge with and into Roberts (the "Merger"); and

WHEREAS, Shareholder owns, as of the date hereof, 5,508,032 ordinary shares, nominal value five pence per share (the "Ordinary Shares"), of Shire (the "Existing Shares", together with any Ordinary Shares acquired after the date hereof and prior to the termination hereof, hereinafter collectively referred to as the "Shares"); and

WHEREAS, Roberts has entered into the Merger Agreement in reliance on Shareholder's representations, warranties, covenants and agreements set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, and intending to be legally bound hereby, it is agreed as follows:

1. Voting Agreement. Shareholder agrees to vote (or cause to be voted) and

otherwise act (including pursuant to written consent) with respect to all of the Shares, for the approval and the adoption of the Merger Agreement, all agreements related to the Merger and any actions required to be approved by shareholders related thereto, and against any proposal or transaction which could prevent or delay the consummation of the transactions contemplated by this Agreement or the Merger Agreement, at any meeting or meetings of the shareholders of Shire, and at any adjournment, postponement or continuation

-2-

thereof, at which the Merger Agreement and other related agreements (or any amended version or versions thereof), or such other actions are submitted for the consideration and vote of the Shareholders of Shire. The foregoing shall

remain in effect with respect to the Shares, until the termination of this Agreement. Shareholder agrees to cause the Shares to be represented, in person or by proxy, at any meeting or meetings of the shareholders to which this Section 1 applies, and to vote the Shares in accordance with the terms hereof.

2. Representations and Warranties of Shareholder. Shareholder represents and

warrants to Roberts as follows:

2.1 Ownership of Shares. On the date hereof the Existing Shares are

all of the Ordinary Shares currently beneficially owned by Shareholder. On the Closing Date, the Shares will constitute all of the Ordinary shares of owned beneficially by Shareholder. Shareholder has no rights to acquire any additional Ordinary Shares.

2.2 Authority; Binding Agreement. Shareholder has the full legal

right, power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Shareholder will not violate any other agreement to which Shareholder is a party including, without limitation, any voting agreement, shareholders agreement or voting trust. This Agreement has been duly executed and delivered by Shareholder and constitutes a legal, valid and binding agreement of Shareholder, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect affecting creditors' rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shareholder of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shareholder or the Shares, (ii) constitute a violation of, conflict with or constitute a default under, any material contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Shareholder is a party or by which Shareholder is bound.

-3-

2.3 Reliance on Agreement. Shareholder understands and acknowledges

that Roberts is entering into the Merger Agreement in reliance upon Shareholder's execution and delivery of this Agreement.

3. Certain Covenants of Shareholder. Except in accordance with the provisions

of this Agreement, Shareholder agrees with, and covenants to, Roberts as follows:

3.1 Actions Inconsistent with this Agreement. Shareholder shall not

(i) transfer (which term shall include, without limitation, for the purposes of this Agreement, any sale, gift, pledge, assignment, encumbrance or other disposition) or consent to any transfer of, any or all of the Shares or any interest therein, except pursuant to the Merger, (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all such Shares or any interest therein, (iii) grant any proxy, power-of-attorney or other authorizations in or with respect to such Shares or (iv) deposit such Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares.

3.2 Solicitation. Until consummation of the Merger, Shareholder

shall not, and shall direct their investment bankers, attorneys or other advisers or representatives not to, directly or indirectly, (i) solicit or initiate (including by way of furnishing or disclosing non-public information) any inquires or the making of any proposal with respect to a Shire Acquisition Transaction (as defined in the Merger Agreement) or (ii) negotiate, explore or otherwise engage in discussions with any person (other than Roberts and its representatives) with respect to any Shire Acquisition Transaction, or which may reasonably be expected to lead to a proposal for a Shire Acquisition Transaction or enter into any agreement, arrangement or understanding with respect to any such Shire Acquisition Transaction or which would require it to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement; provided, however, that Shareholder may, in response to an

unsolicited written proposal from a third party regarding a Shire Superior Proposal (as defined in the Merger Agreement), furnish information to, negotiate or otherwise engage in discussions with such third party, if the Board of Directors of Shire determines in good faith, after consultation with its financial advisors and based upon advice of outside

-4-

counsel that such action is required for the Board of Directors to comply with its fiduciary duties under applicable law.

4. Termination. This Agreement shall terminate on the earlier of (i) the

termination of the Merger Agreement in accordance with its terms, (ii) if the Merger Agreement is amended to increase the Merger Consideration (as defined in the Merger Agreement) per share, (iii) the Effective Time or (iv) December 31, 1999.

5. Miscellaneous.

5.1 Survival of Representations and Warranties. All representations,

warranties, covenants and agreements made by Shareholder in this Agreement shall survive the date hereof and any investigation at any time made by or on behalf

of any party.

5.2 Notices. All notices, requests, claims, demands and other

communications under this Agreement shall be in writing and shall be delivered personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of

address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied or one day after delivery to a courier for next-day delivery.

If to Roberts:

Meridian Center II
4 Industrial Way West
Eatontown, NJ 07724

Telecopy: (732) 676-1300
Attention: General Counsel

with copies to:

Lawrence Lederman, Esq.
Milbank, Tweed Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York

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Telephone: (212) 530-5000
Telecopy: (212) 530-5219

If to Shareholder:

HealthCare Ventures III, L.P.
Twin Towers at Metro Park
379 Thornall Street
Edison, NJ 08837

5.3 Entire Agreement. This Agreement, together with the documents

expressly referred to herein, constitute the entire agreement and supersede all other prior agreements and understandings, both written and oral, between the parties, with respect to the subject matter contained herein.

5.4 Amendments. This Agreement may not be modified, amended, altered

or supplemented, except upon the execution and delivery of a written agreement

executed by the parties hereto.

5.5 Assignment. This Agreement shall be binding upon and inure to

the benefit of the parties hereto and their respective successors, assigns and personal representatives, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties.

5.6 Public Announcements. Each of Shire and Shareholder agrees that

it will not issue any press release or otherwise make any public statement with respect to this Agreement, the Merger Agreement or the transactions contemplated hereby or thereby without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

5.7 Governing Law. This Agreement, and all matters relating hereto,

shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

5.8 Injunctive Relief; Jurisdiction. Shareholder agrees that

irreparable damage would occur and that Roberts would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance

-6-

with their specific terms or were otherwise breached. It is accordingly agreed that Roberts shall be entitled to an injunction or injunctions to prevent breaches by Shareholder of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York, Borough of Manhattan, or in New York state court located in the Borough of Manhattan, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit such party to the personal jurisdiction of any Federal court located in the State of New York, Borough of Manhattan or in New York State Court located in the Borough of Manhattan in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that such party will not attempt to deny or defeat such party to the personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that such party will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than a Federal or state court sitting in the State of New York, located in the Borough of Manhattan.

5.9 Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which

together shall constitute one and the same document.

5.10 Descriptive Headings. The descriptive headings used herein are

inserted for convenience of reference only and are not intended to be part of or
to affect the meaning or interpretation of this Agreement.

5.11 Severability. Any term or provision of this Agreement which is

invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be
ineffective to the extent of such invalidity or unenforceability without
rendering invalid or unenforceable the remaining terms and provisions of this
Agreement or affecting the validity or enforceability of any of the terms or
provisions of this Agreement in any other jurisdiction. If any provision of
this Agreement is so broad as to be unenforceable, such provision shall be
interpreted to be only so broad as is enforceable.

5.12 Further Assurances. Each party hereto shall execute and deliver

such additional documents as may be necessary

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or desirable to consummate the transactions contemplated by this Agreement.

5.13 Third-Party Beneficiaries. Nothing in this Agreement, expressed

or implied, shall be construed to give any person other than the parties hereto
any legal or equitable right, remedy or claim under or by reason of this
Agreement or any provision contained herein.

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IN WITNESS WHEREOF, Roberts and Shareholder have caused this Agreement
to be executed by their duly authorized officers, as of the date and year first
above written.

ROBERTS PHARMACEUTICAL CORPORATION

By: \s\ John T. Spitznagel

Name: John T. Spitznagel
Title: President and Chief
Executive Officer

HEALTHCARE VENTURES III, L.P.

By: \s\ James Cavanaugh

Name: James Cavanaugh
Title: General Partner

SHAREHOLDER AGREEMENT

SHAREHOLDER AGREEMENT (this "Agreement"), dated as of July 26, 1999 by and between HealthCare Ventures IV, L.P. ("Shareholder"), and Roberts Pharmaceutical Corporation, a New Jersey corporation ("Roberts").

WHEREAS, concurrently herewith, Ruby Acquisition Sub Inc., Roberts and Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales ("Shire"), are entering into an Agreement and Plan of Merger of even date herewith (such Agreement in the form attached hereto as Exhibit A as it may be subsequently amended or modified (other than a reduction in the Merger Consideration (as defined therein)) being the "Merger Agreement"), pursuant to which a newly formed, wholly owned subsidiary of Sapphire will merge with and into Roberts (the "Merger"); and

WHEREAS, Shareholder owns, as of the date hereof, 1,617,528 ordinary shares, nominal value five pence per share (the "Ordinary Shares"), of Shire (the "Existing Shares", together with any Ordinary Shares acquired after the date hereof and prior to the termination hereof, hereinafter collectively referred to as the "Shares"); and

WHEREAS, Roberts has entered into the Merger Agreement in reliance on Shareholder's representations, warranties, covenants and agreements set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, and intending to be legally bound hereby, it is agreed as follows:

1. Voting Agreement. Shareholder agrees to vote (or cause to be voted) and

otherwise act (including pursuant to written consent) with respect to all of the Shares, for the approval and the adoption of the Merger Agreement, all agreements related to the Merger and any actions required to be approved by shareholders related thereto, and against any proposal or transaction which could prevent or delay the consummation of the transactions contemplated by this Agreement or the Merger Agreement, at any meeting or meetings of the shareholders of Shire, and at any adjournment, postponement or continuation

-2-

thereof, at which the Merger Agreement and other related agreements (or any amended version or versions thereof), or such other actions are submitted for the consideration and vote of the Shareholders of Shire. The foregoing shall remain in effect with respect to the Shares, until the termination of this

Agreement. Shareholder agrees to cause the Shares to be represented, in person or by proxy, at any meeting or meetings of the shareholders to which this Section 1 applies, and to vote the Shares in accordance with the terms hereof.

2. Representations and Warranties of Shareholder. Shareholder represents and

warrants to Roberts as follows:

2.1 Ownership of Shares. On the date hereof the Existing Shares are

all of the Ordinary Shares currently beneficially owned by Shareholder. On the Closing Date, the Shares will constitute all of the Ordinary shares of owned beneficially by Shareholder. Shareholder has no rights to acquire any additional Ordinary Shares.

2.2 Authority; Binding Agreement. Shareholder has the full legal

right, power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Shareholder will not violate any other agreement to which Shareholder is a party including, without limitation, any voting agreement, shareholders agreement or voting trust. This Agreement has been duly executed and delivered by Shareholder and constitutes a legal, valid and binding agreement of Shareholder, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect affecting creditors' rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shareholder of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shareholder or the Shares, (ii) constitute a violation of, conflict with or constitute a default under, any material contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Shareholder is a party or by which Shareholder is bound.

-3-

2.3 Reliance on Agreement. Shareholder understands and acknowledges

that Roberts is entering into the Merger Agreement in reliance upon Shareholder's execution and delivery of this Agreement.

3. Certain Covenants of Shareholder. Except in accordance with the provisions

of this Agreement, Shareholder agrees with, and covenants to, Roberts as follows:

3.1 Actions Inconsistent with this Agreement. Shareholder shall not

(i) transfer (which term shall include, without limitation, for the purposes of

this Agreement, any sale, gift, pledge, assignment, encumbrance or other disposition) or consent to any transfer of, any or all of the Shares or any interest therein, except pursuant to the Merger, (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all such Shares or any interest therein, (iii) grant any proxy, power-of-attorney or other authorizations in or with respect to such Shares or (iv) deposit such Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares.

3.2 Solicitation. Until consummation of the Merger, Shareholder

shall not, and shall direct their investment bankers, attorneys or other advisers or representatives not to, directly or indirectly, (i) solicit or initiate (including by way of furnishing or disclosing non-public information) any inquires or the making of any proposal with respect to a Shire Acquisition Transaction (as defined in the Merger Agreement) or (ii) negotiate, explore or otherwise engage in discussions with any person (other than Roberts and its representatives) with respect to any Shire Acquisition Transaction, or which may reasonably be expected to lead to a proposal for a Shire Acquisition Transaction or enter into any agreement, arrangement or understanding with respect to any such Shire Acquisition Transaction or which would require it to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement; provided, however, that Shareholder may, in response to an

unsolicited written proposal from a third party regarding a Shire Superior Proposal (as defined in the Merger Agreement), furnish information to, negotiate or otherwise engage in discussions with such third party, if the Board of Directors of Shire determines in good faith, after consultation with its financial advisors and based upon advice of outside

counsel that such action is required for the Board of Directors to comply with its fiduciary duties under applicable law.

4. Termination. This Agreement shall terminate on the earlier of (i) the

termination of the Merger Agreement in accordance with its terms, (ii) if the Merger Agreement is amended to increase the Merger Consideration (as defined in the Merger Agreement) per share, (iii) the Effective Time or (iv) December 31, 1999.

5. Miscellaneous.

5.1 Survival of Representations and Warranties. All representations,

warranties, covenants and agreements made by Shareholder in this Agreement shall survive the date hereof and any investigation at any time made by or on behalf of any party.

5.2 Notices. All notices, requests, claims, demands and other

communications under this Agreement shall be in writing and shall be delivered personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of

address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied or one day after delivery to a courier for next-day delivery.

If to Roberts:

Meridian Center II
4 Industrial Way West
Eatontown, NJ 07724

Telecopy: (732) 676-1300
Attention: General Counsel

with copies to:

Lawrence Lederman, Esq.
Milbank, Tweed Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York

-5-

Telephone: (212) 530-5000
Telecopy: (212) 530-5219

If to Shareholder:

HealthCare Ventures IV, L.P.
Twin Towers at Metro Park
379 Thornall Street
Edison, NJ 08837

5.3 Entire Agreement. This Agreement, together with the documents

expressly referred to herein, constitute the entire agreement and supersede all other prior agreements and understandings, both written and oral, between the parties, with respect to the subject matter contained herein.

5.4 Amendments. This Agreement may not be modified, amended, altered

or supplemented, except upon the execution and delivery of a written agreement executed by the parties hereto.

5.5 Assignment. This Agreement shall be binding upon and inure to

the benefit of the parties hereto and their respective successors, assigns and personal representatives, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties.

5.6 Public Announcements. Each of Shire and Shareholder agrees that

it will not issue any press release or otherwise make any public statement with respect to this Agreement, the Merger Agreement or the transactions contemplated hereby or thereby without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

5.7 Governing Law. This Agreement, and all matters relating hereto,

shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

5.8 Injunctive Relief; Jurisdiction. Shareholder agrees that

irreparable damage would occur and that Roberts would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in

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accordance with their specific terms or were otherwise breached. It is accordingly agreed that Roberts shall be entitled to an injunction or injunctions to prevent breaches by Shareholder of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York, Borough of Manhattan, or in New York state court located in the Borough of Manhattan, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit such party to the personal jurisdiction of any Federal court located in the State of New York, Borough of Manhattan or in New York State Court located in the Borough of Manhattan in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that such party will not attempt to deny or defeat such party to the personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that such party will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than a Federal or state court sitting in the State of New York, located in the Borough of Manhattan.

5.9 Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.

5.10 Descriptive Headings. The descriptive headings used herein are

inserted for convenience of reference only and are not intended to be part of or
to affect the meaning or interpretation of this Agreement.

5.11 Severability. Any term or provision of this Agreement which is

invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be
ineffective to the extent of such invalidity or unenforceability without
rendering invalid or unenforceable the remaining terms and provisions of this
Agreement or affecting the validity or enforceability of any of the terms or
provisions of this Agreement in any other jurisdiction. If any provision of
this Agreement is so broad as to be unenforceable, such provision shall be
interpreted to be only so broad as is enforceable.

5.12 Further Assurances. Each party hereto shall execute and deliver

such additional documents as may be

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necessary or desirable to consummate the transactions contemplated by this
Agreement.

5.13 Third-Party Beneficiaries. Nothing in this Agreement, expressed

or implied, shall be construed to give any person other than the parties hereto
any legal or equitable right, remedy or claim under or by reason of this
Agreement or any provision contained herein.

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IN WITNESS WHEREOF, Roberts and Shareholder have caused this Agreement
to be executed by their duly authorized officers, as of the date and year first
above written.

ROBERTS PHARMACEUTICAL CORPORATION

By: /s/ John T. Spitznagel

Name: John T. Spitznagel
Title: President and Chief
Executive Officer

HEALTHCARE VENTURES IV, L.P.

By: /s/ James Cavanaugh

Name: James Cavanaugh
Title: General Partner

SHAREHOLDER AGREEMENT

SHAREHOLDER AGREEMENT (this "Agreement"), dated as of July 26, 1999 by and between HealthCare Ventures V, L.P. ("Shareholder"), and Roberts Pharmaceutical Corporation, a New Jersey corporation ("Roberts").

WHEREAS, concurrently herewith, Ruby Acquisition Sub Inc., Roberts and Shire Pharmaceuticals Group plc, a public limited company organized under the laws of England and Wales ("Shire"), are entering into an Agreement and Plan of Merger of even date herewith (such Agreement in the form attached hereto as Exhibit A as it may be subsequently amended or modified (other than a reduction in the Merger Consideration (as defined therein)) being the "Merger Agreement"), pursuant to which a newly formed, wholly owned subsidiary of Sapphire will merge with and into Roberts (the "Merger"); and

WHEREAS, Shareholder owns, as of the date hereof, 1,534,530 ordinary shares, nominal value five pence per share (the "Ordinary Shares"), of Shire and 10,000 American Depositary Shares of Shire (the "ADSs" and together with the Ordinary Shares, the "Existing Shares", together with any Ordinary Shares acquired after the date hereof and prior to the termination hereof, hereinafter collectively referred to as the "Shares"); and

WHEREAS, Roberts has entered into the Merger Agreement in reliance on Shareholder's representations, warranties, covenants and agreements set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, and intending to be legally bound hereby, it is agreed as follows:

1. Voting Agreement. Shareholder agrees to vote (or cause to be voted) and

otherwise act (including pursuant to written consent) with respect to all of the Shares, for the approval and the adoption of the Merger Agreement, all agreements related to the Merger and any actions required to be approved by shareholders related thereto, and against any proposal or transaction which could prevent or delay the consummation of the transactions contemplated by this Agreement or the Merger

Agreement, at any meeting or meetings of the shareholders of Shire, and at any adjournment, postponement or continuation thereof, at which the Merger Agreement and other related agreements (or any amended version or versions thereof), or such other actions are submitted for the consideration and vote of the

Shareholders of Shire. The foregoing shall remain in effect with respect to the Shares, until the termination of this Agreement. Shareholder agrees to cause the Shares to be represented, in person or by proxy, at any meeting or meetings of the shareholders to which this Section 1 applies, and to vote the Shares in accordance with the terms hereof.

2. Representations and Warranties of Shareholder. Shareholder represents and

warrants to Roberts as follows:

2.1 Ownership of Shares. On the date hereof the Existing Shares are

all of the Ordinary Shares currently beneficially owned by Shareholder. On the Closing Date, the Shares will constitute all of the Ordinary shares of owned beneficially by Shareholder. Shareholder has no rights to acquire any additional Ordinary Shares.

2.2 Authority; Binding Agreement. Shareholder has the full legal

right, power and authority to enter into and perform all of its obligations under this Agreement. The execution and delivery of this Agreement by Shareholder will not violate any other agreement to which Shareholder is a party including, without limitation, any voting agreement, shareholders agreement or voting trust. This Agreement has been duly executed and delivered by Shareholder and constitutes a legal, valid and binding agreement of Shareholder, enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect affecting creditors' rights and remedies generally or general principles of equity. Neither the execution and delivery of this Agreement nor the consummation by Shareholder of the transactions contemplated hereby will (i) violate, or require any consent, approval or notice under, any provision of any judgment, order, decree, statute, law, rule or regulation applicable to Shareholder or the Shares, (ii) constitute a violation of, conflict with or constitute a default under, any material contract, commitment, agreement, understanding, arrangement or other restriction of any kind to which Shareholder is a party or by which Shareholder is bound.

-3-

2.3 Reliance on Agreement. Shareholder understands and acknowledges

that Roberts is entering into the Merger Agreement in reliance upon Shareholder's execution and delivery of this Agreement.

3. Certain Covenants of Shareholder. Except in accordance with the provisions

of this Agreement, Shareholder agrees with, and covenants to, Roberts as follows:

3.1 Actions Inconsistent with this Agreement. Shareholder shall not

(i) transfer (which term shall include, without limitation, for the purposes of this Agreement, any sale, gift, pledge, assignment, encumbrance or other disposition) or consent to any transfer of, any or all of the Shares or any interest therein, except pursuant to the Merger, (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all such Shares or any interest therein, (iii) grant any proxy, power-of-attorney or other authorizations in or with respect to such Shares or (iv) deposit such Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares.

3.2 Solicitation. Until consummation of the Merger, Shareholder

shall not, and shall direct their investment bankers, attorneys or other advisers or representatives not to, directly or indirectly, (i) solicit or initiate (including by way of furnishing or disclosing non-public information) any inquires or the making of any proposal with respect to a Shire Acquisition Transaction (as defined in the Merger Agreement) or (ii) negotiate, explore or otherwise engage in discussions with any person (other than Roberts and its representatives) with respect to any Shire Acquisition Transaction, or which may reasonably be expected to lead to a proposal for a Shire Acquisition Transaction or enter into any agreement, arrangement or understanding with respect to any such Shire Acquisition Transaction or which would require it to abandon, terminate or fail to consummate the Merger or any other transaction contemplated by this Agreement; provided, however, that Shareholder may, in response to an

unsolicited written proposal from a third party regarding a Shire Superior Proposal (as defined in the Merger Agreement), furnish information to, negotiate or otherwise engage in discussions with such third party, if the Board of Directors of Shire determines in good faith, after consultation with its financial advisors and based upon advice of outside

-4-

counsel that such action is required for the Board of Directors to comply with its fiduciary duties under applicable law.

4. Termination. This Agreement shall terminate on the earlier of (i) the

termination of the Merger Agreement in accordance with its terms, (ii) if the Merger Agreement is amended to increase the Merger Consideration (as defined in the Merger Agreement) per share, (iii) the Effective Time or (iv) December 31, 1999.

5. Miscellaneous.

5.1 Survival of Representations and Warranties. All representations, warranties, covenants and agreements made by Shareholder in this Agreement shall

survive the date hereof and any investigation at any time made by or on behalf of any party.

5.2 Notices. All notices, requests, claims, demands and other

communications under this Agreement shall be in writing and shall be delivered personally or by next-day courier or telecopied with confirmation of receipt, to the parties at the addresses specified below (or at such other address for a party as shall be specified by like notice; provided that notices of a change of

address shall be effective only upon receipt thereof). Any such notice shall be effective upon receipt, if personally delivered or telecopied or one day after delivery to a courier for next-day delivery.

If to Roberts:

Meridian Center II
4 Industrial Way West
Eatontown, NJ 07724

Telecopy: (732) 676-1300
Attention: General Counsel

with copies to:

Lawrence Lederman, Esq.
Milbank, Tweed Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York

-5-

Telephone: (212) 530-5000
Telecopy: (212) 530-5219

If to Shareholder:

HealthCare Ventures V, L.P.
Twin Towers at Metro Park
379 Thornall Street
Edison, NJ 08837

5.3 Entire Agreement. This Agreement, together with the documents

expressly referred to herein, constitute the entire agreement and supersede all other prior agreements and understandings, both written and oral, between the parties, with respect to the subject matter contained herein.

5.4 Amendments. This Agreement may not be modified, amended, altered

or supplemented, except upon the execution and delivery of a written agreement executed by the parties hereto.

5.5 Assignment. This Agreement shall be binding upon and inure to

the benefit of the parties hereto and their respective successors, assigns and personal representatives, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties.

5.6 Public Announcements. Each of Shire and Shareholder agrees that

it will not issue any press release or otherwise make any public statement with respect to this Agreement, the Merger Agreement or the transactions contemplated hereby or thereby without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

5.7 Governing Law. This Agreement, and all matters relating hereto,

shall be governed by, and construed in accordance with the laws of the State of New York without giving effect to the principles of conflicts of laws thereof.

5.8 Injunctive Relief; Jurisdiction. Shareholder agrees that

irreparable damage would occur and that Roberts

would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that Roberts shall be entitled to an injunction or injunctions to prevent breaches by Shareholder of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York, Borough of Manhattan, or in New York state court located in the Borough of Manhattan, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit such party to the personal jurisdiction of any Federal court located in the State of New York, Borough of Manhattan or in New York State Court located in the Borough of Manhattan in the event any dispute arises out of this Agreement or any of the transactions contemplated hereby, (ii) agrees that such party will not attempt to deny or defeat such party to the personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that such party will not bring any action relating to this Agreement or any of the transactions contemplated hereby in any court other than a Federal or state court sitting in the State of New York, located in the Borough of Manhattan.

5.9 Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same document.

5.10 Descriptive Headings. The descriptive headings used herein are

inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

5.11 Severability. Any term or provision of this Agreement which is

invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

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5.12 Further Assurances. Each party hereto shall execute and deliver

such additional documents as may be necessary or desirable to consummate the transactions contemplated by this Agreement.

5.13 Third-Party Beneficiaries. Nothing in this Agreement, expressed

or implied, shall be construed to give any person other than the parties hereto any legal or equitable right, remedy or claim under or by reason of this Agreement or any provision contained herein.

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IN WITNESS WHEREOF, Roberts and Shareholder have caused this Agreement to be executed by their duly authorized officers, as of the date and year first above written.

ROBERTS PHARMACEUTICAL CORPORATION

By: \s\ John T. Spitznagel

Name: John T. Spitznagel
Title: President and Chief
Executive Officer

HEALTHCARE VENTURES V, L.P.

By: \s\ James Cavanaugh

Name: James Cavanaugh
Title: General Partner

EMBARGOED UNTIL 10:00 PM EST, 7/25/99 / 3:00 AM LONDON TIME 7/26/99

SHIRE PHARMACEUTICALS GROUP PLC TO MERGE WITH
ROBERTS PHARMACEUTICAL CORPORATION

Stock transaction valued at \$1 billion

Merger brings together two of the fastest growing publicly traded
specialty pharmaceutical companies

ANDOVER, UK and EATONTOWN, NJ, USA - July 25, 1999 - Shire Pharmaceuticals Group plc (LSE: SHP.L; NASDAQ: SHPGY) and Roberts Pharmaceutical Corporation (AMEX: RPC) today announced they have entered into a definitive merger agreement under which Shire will merge with Roberts in a tax-free exchange of Shire shares.

In the transaction, Shire will exchange not less than 1.0427 Shire ADSs (each of which represents three ordinary shares) nor more than 1.2802 Shire ADSs for each share of Roberts. Based on the July 23, 1999 closing price of Shire ADSs of \$27.00, each Roberts share would be exchanged for 1.1374 Shire ADSs, implying a per share value of \$30.71 and a total transaction equity value of approximately \$1 billion ((Pounds)650 million). Based upon the July 23, 1999 closing price of Shire ADSs, the pro forma market capitalization of the combined companies is approximately \$2.4 billion ((Pounds)1.5 billion).

The merger offer represents a premium of 23% over the July 23, 1999 closing price of \$25.00 per Roberts share and a premium of 32% over the average closing price of Roberts' shares for the last 20 business days. Based on the closing price of Shire ADSs on July 23, 1999, Shire shareholders will hold approximately 56% and Roberts shareholders approximately 44% of the combined company. On a combined basis, the companies had aggregated sales for the first six months of 1999 of \$191 million.

Commenting on today's announcement, Rolf Stahel, Chief Executive of Shire said, "This transaction is an important step toward Shire's goal of exceeding \$1 billion in revenues by 2005. We see significant benefits from combining these two companies. The merger will significantly broaden and diversify our revenue base, adding a solid portfolio of existing products and promising pipeline products. It also expands the Company's areas of therapeutic focus, strengthens our presence in the US and UK and adds Canadian sales, marketing, distribution and manufacturing capabilities. In addition, the transaction will combine complementary R&D and sales & marketing infrastructures, facilitating the development and distribution of pipeline products, as well as providing the enlarged group with greater negotiating leverage and financial resources in pursuing in-licensing of products. We look forward to working with Roberts' management team to integrate the companies and continue to build for the future."

John Spitznagel, Chief Executive Officer of Roberts, added, "Joining forces with Shire, a company which enjoys a reputation for building shareholder value, is an excellent strategic move for Roberts which I believe will bring significant benefits to our shareholders, employees and customers. The companies share a similar strategic vision of promoting specialty pharmaceuticals to defined, niche markets and focusing on key therapeutic categories, and together have a very attractive drug pipeline. Both companies also enjoy experienced and professional salesforces. By combining two of the fastest growing specialty pharmaceutical companies, we feel we will create a thoroughbred in this industry."

The Boards of Directors of Shire and Roberts have given unanimous approval to the merger. Yamanouchi Pharmaceutical Company Ltd., owner of 16% of Roberts, and Dr. Robert Vukovich, owner of 6% of Roberts, have both undertaken to vote their respective shares in favor of the merger. HealthCare Ventures, owner of 8% of Shire, has also agreed to vote in favor of the merger. The merger is expected to close in the fourth quarter of 1999, subject to approval of Shire and Roberts shareholders, review under the Hart-Scott-Rodino Act and other customary terms and conditions. Bear, Stearns & Co. Inc. served as financial advisor to Shire and PaineWebber Incorporated served as financial advisor to Roberts in this transaction.

Contacts:

Shire Pharmaceuticals Group plc
Rolf Stahel, Chief Executive
Stephen Stamp, Group Finance Director

Today: (606) 282-2100

Wilson Totten, Group R&D Director

Emmanuelle Thiney, Edelman Financial

Tel: (212) 704-8239

Roberts Pharmaceutical Corporation

John Spitznagel, Chief Executive Officer

Today: (732) 676-1200

Stuart Levine, Vice President - Investor Relations

Peter Duda, BSMG Worldwide

Tel: (212) 445-8222

This release contains forward-looking statements which are based on assumptions and external factors, including assumptions relating to, but not limited to, regulatory action, product pricing, competitive market conditions, unaudited financial data, new product development and other risks or uncertainties detailed from time to time in filings with the Securities and Exchange Commission. These forward-looking statements represent the companies' judgment as of the date of this release and any changes in the assumptions or external factors could produce significantly different results.

SUMMARY OF THE TRANSACTION

Shire Pharmaceuticals Group plc (NASDAQ: SHPGY; LSE: SHP.L) and Roberts Pharmaceutical Corporation (AMEX: RPC) announced today that they have entered into a definitive merger agreement to be effected by way of a share-for-share exchange of Shire shares for Roberts shares. Based on the July 23, 1999 closing price of Shire ADSs of \$27.00, each Roberts share would be exchanged for 1.1374 Shire ADSs, implying a per share value of \$30.71 and a total transaction equity value of approximately \$1 billion ((Pounds)650 million). Based upon the July 23, 1999 closing price of Shire ADSs, the pro forma market capitalization of the combined companies is approximately \$2.4 billion ((Pounds)1.5 billion).

Terms of the Merger

Summary terms of the merger are as follows:

- . The merger will be effected by way of a share-for-share exchange which is expected to be tax-free to US and UK shareholders.
- . Based upon the closing price of Shire ADSs on July 23, 1999, the merger offer will be made on the basis of 1.1374 Shire ADSs (or 3.4122 ordinary shares) for each Roberts share. Each Shire ADS represents three Shire ordinary shares. Roberts shareholders may elect to receive ordinary shares as consideration.
- . Based upon the closing price of Shire ADSs on July 23, 1999, the merger offer represents a premium of 23% over the closing price of \$25.00 per Roberts share on July 23, 1999 and a premium of 32% over the average closing price of Roberts shares for the last 20 business days.
- . A "cap and collar" mechanism in the merger agreement provides for a maximum and minimum exchange ratio of between 3.8407 and 3.1280 ordinary shares per Roberts share, depending upon the average Shire ADS price before closing.
- . Based upon the closing price of Shire ADSs on July 23, 1999, Shire shareholders will own approximately 56% and Roberts shareholders approximately 44% of the combined company. Management estimates that approximately 70% of the combined company's shares will be held in the US with the majority of the remainder held in the UK.
- . Yamanouchi Pharmaceutical Company Ltd., owner of 16% of Roberts, and Dr. Robert Vukovich, owner of 6% of Roberts, have both undertaken to vote their respective shares in favor of the merger. HealthCare Ventures, owner of 8% of Shire, has also agreed to vote in favor of the merger.
- . Upon the termination of the merger agreement by one party, under certain circumstances, a termination fee of \$30 million is payable by that party to the other party. In addition, Roberts has granted to Shire an option to purchase for cash newly issued Roberts shares equivalent to 19.9% of Roberts existing issued shares.
- . The merger is contingent upon, among other conditions, the approval of Shire and Roberts shareholders. The Directors of Shire, who have been advised by Bear, Stearns & Co. Inc., unanimously recommend Shire shareholders to vote in favor of the merger. The Directors of Roberts, who have been advised by PaineWebber Incorporated, unanimously recommend Roberts shareholders to vote in favor of the merger.

Reasons for the Merger

Management believes that the merger brings together two of the fastest growing publicly traded specialty pharmaceutical companies, which share a common strategic vision. Both companies have built effective sales and marketing organisations to promote specialty products to defined customer groups. In addition, through selective in-licensing of development compounds, both companies seek to build long term shareholder value by taking these compounds through the development and registration process. The principal benefits of the merger are expected to be:

- . A broader product portfolio. In Adderall, Pentasa, Carbatrol, Agrylin and ProAmatine, the combined company's five key products could each have significant sales potential. The additional resources and sales force coverage that the enlarged group is able to bring to bear are expected to enhance the sales potential of these products. The combined company will have combined sales forces of 269, 92 and 25 in the US, the UK and Canada, respectively.
- . An enriched product pipeline. The combined company's key development projects will include Reminyl (galantamine) for Alzheimer's disease, Dirame (propiram) for analgesia, Emitasol (nasal metoclopramide) for nausea, Lambda (lanthanum phosphate) for hyperphosphatemia and RL0903 (GnRH implant) for prostatic cancer. The combined company will have one product in registration and a further five products in Phase III.
- . Greater financial resources to pursue further growth opportunities. The aggregated indebtedness of the combined company at June 30, 1999 was approximately \$130 million. The aggregated cash and investments of the combined company at the same date was approximately \$126 million. The combined company intends to expand its direct marketing capability into Continental Europe, through an expected combination of product and company acquisitions. In its chosen therapeutic areas, the combined company's aim will be to become a "licensee of choice" for biotech and other companies that do not possess their own sales and marketing capabilities.
- . Increased investor profile and liquidity. Management believes the combined company will benefit from a wider shareholder base and greater liquidity.

Financial Information

In recognition of its likely ownership profile, the combined company intends to report primarily under US GAAP. Shareholders may elect to receive full UK GAAP accounts in addition to US GAAP accounts. It is intended that the merger will be accounted for as a "pooling-of-interests" under US GAAP. Under UK GAAP, the merger will be accounted for as a purchase.

Under US GAAP, the unaudited aggregation of the profit and loss accounts of Shire and Roberts for the year ended December 31, 1998 and the six months ended June 30, 1999 are as follows:

<TABLE>
<CAPTION>

	Year ended 12/31/98 (\$m)			Six months ended 6/30/99 (\$m)		
	Shire <C>	Roberts <C>	Combined <C>	Shire <C>	Roberts <C>	Combined <C>
<S> Revenues	133	175	309	96	95	191
Cost of sales	(29)	(66)	(95)	(15)	(28)	(43)
R&D	(48)	(12)	(60)	(25)	(7)	(32)
SG&A	(60)	(70)	(130)	(46)	(37)	(83)
Operating profit	(4)	27	24	10	23	33

</TABLE>

Note: Figures above derived from Shire and Roberts financial statements prepared under US GAAP. No adjustments have been made to reflect any consequences of the merger or to conform accounting policies between Shire and Roberts. For Shire, the line item SG&A includes adjustments to reconcile Shire's UK GAAP results to US GAAP results as follows: i) incremental goodwill charges of \$11.1 million and \$5.4 million for the year ended 12/31/98 and six months ended 6/30/99, respectively and ii) incremental charges related to the treatment of incentive stock options of \$5.5 million and \$7.6 million for the year ended 12/31/98 and six months ended 6/30/99, respectively. Shire amounts have been converted solely for the convenience of the reader at \$1.66:(Pounds)1.00 and \$1.62:(Pounds)1.00 for the year ended December 31, 1998 and the six months ended June 30, 1999, respectively, based on the average exchange rate for each period. No adjustment has been made for any potential synergies. The transaction is assumed to be accounted for as a pooling-of-interests under US GAAP.

The financial information relating to Shire contained in this document does not

constitute Shire's statutory accounts within the meaning of Section 240, Companies Act 1985. Statutory accounts for the year ended December 31, 1998 have been

delivered to the Registrar of Companies of England and Wales. Arthur Andersen, Shire's auditors, have made a report on them under Section 235 and such report was not qualified and contained no statement under section 237 (2) or (3).

Management expects to realize annual synergies of approximately \$20 million and, accordingly, expects the merger should be earnings enhancing under US GAAP for Shire shareholders in 2000. However, a substantial one-time restructuring charge is expected in the fourth quarter of 1999.

Board of Directors

The newly combined Board of Directors of Shire will be comprised of eleven members, six from Shire's current board and five from Roberts' current board:

Dr. James Cavanaugh	Non-executive Chairman
Rolf Stahel	Chief Executive
Stephen Stamp	Group Finance Director
Dr. Wilson Totten	Group R&D Director
Dr. Bernard Canavan	Non-executive
Dr. Zola Horovitz	Non-executive
Ronald Nordmann	Non-executive
Dr. Barry Price	Non-executive
Joseph Smith	Non-executive
John Spitznagel	Non-executive
Dr. Robert Vukovich	Non-executive

Information on Roberts

Roberts was founded in 1983 by Dr. Robert Vukovich, the current non-executive chairman, and is headquartered in Eatontown, New Jersey, US. Initially the company pursued a strategy of acquiring late-stage development compounds. This was later augmented by the acquisition of specialty products with in-market sales. This facilitated the building of a sales and marketing infrastructure, allowing the company to capitalise on opportunities within its own pipeline. In 1997, Roberts reached important milestones with the launches of its first two development products, ProAmatine, for the treatment of orthostatic hypotension, and Agrylin, for treating essential thrombocythemia. In 1998, Pentasa, for the treatment of ulcerative colitis, was acquired from Hoechst Marrion Roussel. Principal development products include Dirame, a synthetic opioid analgesic, in Phase III for the treatment of moderate to moderately severe pain; Emitasol, an intranasal form of metoclopramide for preventing post chemotherapy nausea and vomiting, and RL0903, a GnRH analogue implant for prostate cancer. Under US GAAP, for the six months ended June 30, 1999, Roberts recorded revenues of \$95 million and profit before tax of \$19.4 million. Diluted earnings per share increased from \$0.18 for the six months ended June 30, 1998 to \$0.39 for the six months ended June 30, 1999.

Information on Shire

Founded in 1986, Shire is a specialty pharmaceutical company with turnover in 1998 of (Pounds)80.3 million. It is headquartered in Andover, United Kingdom. Historically the majority of products have been in-licensed and Shire continues to actively seek such opportunities. However, Shire has increasingly sought to develop its own products for marketing. Products currently marketed in the US are Adderall and DextroStat, for Attention

Deficit Hyperactivity Disorder (ADHD), and Carbatrol, for the treatment of epilepsy. The key UK marketed products are the Calcichew range used as adjuncts in the treatment of osteoporosis. In addition, Shire has out-licensed two oral Hormone Replacement Therapy (HRT) ranges, the ClimaRange and BetaRange, to various multinational companies principally for marketing in Europe and Central and South America.

Shire invests significant sums in R&D spending. The company's lead development products are galantamine (Reminyl), for the treatment of Alzheimer's disease, and Lambda, for the treatment of hyperphosphataemia, in patients with chronic kidney failure. The first European application for marketing of galantamine was submitted in March 1999; subsequently, various other applications have been made. The US New Drug Application (NDA) is planned to be submitted, by Janssen, before the end of 1999. Lambda is currently in Phase III trials in Europe, in Phase II in USA and Phase I in Japan. Shire also has a wide range of drug delivery technologies that may be applied to its own products or to those of third parties. Under UK GAAP, in the six months ended June 30, 1999 Shire recorded a profit before tax of (Pounds)16.0 million on a turnover of (Pounds)59.5 million. Diluted earnings per share under UK GAAP increased from 2.3 pence for the six months ended June 30, 1998 to 8.1 pence for the six months ended June 30, 1999.

Detailed Terms of the Merger

Under the terms of the agreement, Shire will acquire all of Roberts' outstanding stock in stock-for-stock exchange which is expected to be tax-free to US and UK shareholders. For each share of Roberts stock, Roberts' shareholders will receive (i) a fixed exchange ratio of 3.4122 ordinary shares of Shire if the average closing price of Shire's ADSs for the 15 consecutive trading days ending the third trading day prior to closing is between \$23.73 and \$29.01; (ii) a floating exchange ratio between 3.4122 and 3.1280 if the average closing price is between \$29.01 and \$31.65 (equivalent to \$33.00 per Roberts share); (iii) a floating exchange ratio between 3.8407 and 3.4122 if the average closing price is between \$21.09 and \$23.73 (equivalent to \$27.00 per Roberts share); (iv) a fixed exchange ratio of 3.8407 if the average closing price is below \$21.09; and (v) a fixed exchange ratio of 3.1280 if the average closing price is greater than \$31.65. Unless a holder otherwise elects, Shire will provide each Roberts shareholder with one-third of a Shire ADS for each ordinary share such holder would be entitled to receive.