

Reconciliation of GAAP and non-GAAP EPS

Condensed Consolidated Statements of Income – Operating Basis	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
GAAP diluted EPS	(4.92)	0.07	0.47	0.63	1.99
Adjustment to net income (see below)	6.14	1.38	1.10	1.62	0.75
Effect of FAS128 and ETIF 0306	-	(0.05)	-	-	-
Non-GAAP diluted EPS	1.22	1.40	1.57	2.25	2.74
GAAP Net Income (\$M)	(875.1)	25.1	160.7	217.5	638.2
Revenue – Pre-merger Biogen product, royalty and corporate partner revenue	1,173.1	-	-	-	-
COGS – Fair value step up of inventory acquired from Biogen and Fumapharm	231.6	295.5	34.2	7.8	-
COGS – Pre-merger Biogen cost of sales	(179.2)	-	-	-	-
COGS – Royalties related to Corixa	1.8	-	-	-	-
COGS – Amevive divestiture	-	-	36.4	-	-
R&D – Pre-merger Biogen net R&D	(301.1)	-	-	-	-
R&D – Severance and restructuring	-	3.1	20.3	0.3	1.2
R&D – Sale of plant	-	-	1.9	-	-
SG&A – Pre-merger Biogen SG&A	(346.7)	-	-	-	-
SG&A – Merger related and purchase accounting costs	-	-	-	0.1	-
SG&A – Severance and restructuring	13.2	9.3	19.3	2.0	0.6
Amortization of intangible assets primarily related to Biogen merger	33.2	347.7	302.3	267.0	257.5
In-process R&D related to the Biogen Idec merger, acquisitions of Conformia, Syntonix, and Fumapharm, and consolidation of Cardiokine, Neurimmune and Escoubloc	823.0	-	-	330.5	84.2
Loss/(gain) on settlement of license agreements with Fumedica and Fumapharm	-	-	-	(6.1)	-
(Gain)/loss on sale of long lived assets	-	-	111.8	(16.5)	(0.4)
Other income, net: Pre-merger Biogen	32.9	-	-	-	-
Other income, net: Consolidation of Cardiokine and Neurimmune and gain on sale of long lived assets	-	-	-	-	(72.3)
Write down of investments	-	12.7	-	-	-
Charitable donations and legal settlements	30.7	-	-	-	-
Income taxes – Effect of reconciling items	(205.8)	(195.4)	(145.2)	(70.3)	(65.5)
Stock option expense	-	-	-	44.5	35.6
Non-GAAP Net Income	431.7	498.0	541.7	776.8	879.1