

**TABLE 3**  
**Biogen Idec Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Income - Non-GAAP**  
*(unaudited, in millions, except per share amounts)*

<b>EARNINGS PER SHARE</b>	<b>For the Three Months</b>		<b>For the Six Months</b>	
	<b>Ended June 30,</b>		<b>Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
GAAP earnings per share - Diluted	\$ 1.61	\$ 1.18	\$ 2.86	\$ 2.38
Adjustments to net income attributable to Biogen Idec Inc. (as detailed below)	0.21	0.18	0.36	0.40
Non-GAAP earnings per share - Diluted	<u>\$ 1.82</u>	<u>\$ 1.36</u>	<u>\$ 3.22</u>	<u>\$ 2.78</u>

An itemized reconciliation between net income attributable to Biogen Idec Inc. on a GAAP basis and net income attributable to Biogen Idec Inc. on a non-GAAP basis is as follows:

GAAP net income attributable to Biogen Idec Inc.	\$ 386.8	\$ 288.0	\$ 689.5	\$ 582.4
Adjustments:				
R&D: Stock option expense	0.5	0.5	1.6	1.7
R&D: Restructuring charge and other	-	-	1.3	-
SG&A: Stock option expense	0.9	1.2	1.4	2.5
Amortization of acquired intangible assets	51.0	55.1	94.3	108.4
2010 Restructuring initiatives	1.1	-	1.4	16.6
Fair value adjustment of contingent consideration	12.9	2.2	14.1	3.4
Income tax expense: Income tax effect related to reconciling items	(14.4)	(14.8)	(26.1)	(33.5)
Non-controlling interests	0.3	-	-	-
Non-GAAP net income attributable to Biogen Idec Inc.	<u>\$ 439.1</u>	<u>\$ 332.2</u>	<u>\$ 777.5</u>	<u>\$ 681.5</u>

**2012 Full Year Guidance GAAP to non-GAAP adjustments**

An itemized reconciliation between projected EPS on a GAAP basis and on a non-GAAP basis is as follows:

	<u>\$ Millions</u>	<u>Shares</u>	<u>Diluted EPS</u>
Projected GAAP net income attributable to Biogen Idec Inc.	\$ 1,307	240	\$ 5.44
Adjustments:			
Stock option expense	6		
Restructuring and other	12		
Amortization of acquired intangible assets	194		
Fair value adjustment of contingent consideration	23		
Income tax expense: Income tax effect related to reconciling items	(53)		
Projected Non-GAAP net income attributable to Biogen Idec Inc.	<u>\$ 1,489</u>	<u>240</u>	<u>\$ 6.20</u>

**Use of Non-GAAP Financial Measures**

We supplement our consolidated financial statements presented on a GAAP basis by providing additional measures which may be considered “non-GAAP” financial measures under applicable SEC rules. We believe that the disclosure of these non-GAAP financial measures provides additional insight into the ongoing economics of our business and reflects how we manage our business internally, set operational goals and forms the basis of our management incentive programs. These non-GAAP financial measures are not in accordance with generally accepted accounting principles in the United States and should not be viewed in isolation or as a substitute for reported, or GAAP, net income attributable to Biogen Idec Inc. and diluted earnings per share.

Our “Non-GAAP net income attributable to Biogen Idec Inc.” and “Non-GAAP earnings per share - Diluted” financial measures exclude the following items from GAAP net income attributable to Biogen Idec Inc. and diluted earnings per share:

1. Purchase accounting and merger-related adjustments.

We exclude certain charges related to the 2003 merger between Biogen Inc. and Idec Pharmaceuticals, Inc., certain acquisition-related items, and certain amounts in relation to the consolidation of variable interest entities for which we are the primary beneficiary. These adjustments include charges for in-process research and development, the amortization of certain acquired intangible assets and adjustments to the fair value of our contingent consideration obligations. The exclusion of these charges provides management and investors with a supplemental measure of performance which the Company believes better reflects the underlying economics of the business.

2. Stock option expense recorded in accordance with the accounting standard for share-based payments.

We believe that excluding the impact of expensing stock options better reflects the recurring economic characteristics of our business.

3. Other items.

We evaluate other items on an individual basis, and consider both the quantitative and qualitative aspects of the item, including (i) its size and nature, (ii) whether or not it relates to our ongoing business operations, and (iii) whether or not we expect it to occur as part of our normal business on a regular basis.

We also include an adjustment to reflect the related tax effect of all reconciling items within our reconciliation of our GAAP to Non-GAAP net income attributable to Biogen Idec Inc.