

**TABLE 3**  
**Biogen Idec Inc. and Subsidiaries**  
**GAAP to Non-GAAP Reconciliation: Net Income and Net Income Per Share**  
*(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>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
GAAP earnings per share - Diluted	\$ 3.01	\$ 2.06	\$ 5.03	\$ 3.85
Adjustments to net income attributable to Biogen Idec Inc. (as detailed below)	0.48	0.24	0.93	0.42
Non-GAAP earnings per share - Diluted	<u>\$ 3.49</u>	<u>\$ 2.30</u>	<u>\$ 5.96</u>	<u>\$ 4.27</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.	\$ 714.5	\$ 490.7	\$ 1,194.5	\$ 917.4
Adjustments:				
Amortization of acquired intangible assets	113.0	79.5	252.8	128.1
(Gain) loss on fair value remeasurement of contingent consideration	4.0	(5.2)	3.2	(2.9)
SG&A: Stock option expense	1.5	1.0	4.0	2.9
R&D: Stock option expense	1.2	0.8	3.5	2.4
Donation to Biogen Idec Foundation	35.0	-	35.0	-
Income tax effect related to reconciling items	(40.1)	(18.0)	(77.1)	(29.7)
Non-GAAP net income attributable to Biogen Idec Inc.	<u>\$ 829.1</u>	<u>\$ 548.8</u>	<u>\$ 1,415.9</u>	<u>\$ 1,018.2</u>

**2014 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>\$</u>	<u>Shares</u>	<u>Diluted EPS</u>
Projected GAAP net income attributable to Biogen Idec Inc.	2,697	237	\$ 11.36
Adjustments:			
Amortization of acquired intangible assets	463		
(Gain) loss on fair value remeasurement of contingent consideration	8		
Stock option expense	13		
Donation to Biogen Idec Foundation	35		
Income tax effect related to reconciling items	(131)		
Projected Non-GAAP net income attributable to Biogen Idec Inc.	<u>3,085</u>	<u>237</u>	<u>\$ 13.00</u>

Numbers may not foot due to rounding.

**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 purchase accounting related items associated with the acquisition of businesses, assets and 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 fair value remeasurements 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.