

TABLE 3

BIOGEN INC. AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION:
NET INCOME ATTRIBUTABLE TO BIOGEN INC. AND DILUTED EARNINGS PER SHARE
(unaudited, in millions, except per share amounts)

An itemized reconciliation between diluted earnings per share on a GAAP basis and on a Non-GAAP basis is as follows:

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2015	2014	2015	2014
GAAP earnings per share - Diluted	\$ 3.77	\$ 3.74	\$ 15.34	\$ 12.37
Adjustments to GAAP net income attributable to Biogen Inc. (as detailed below)	0.74	0.35	1.67	1.46
Non-GAAP earnings per share - Diluted	<u>\$ 4.50</u>	<u>\$ 4.09</u>	<u>\$ 17.01</u>	<u>\$ 13.83</u>

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

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2015	2014	2015	2014
GAAP net income attributable to Biogen Inc.	\$ 831.6	\$ 883.5	\$ 3,547.0	\$ 2,934.8
Adjustments:				
Amortization of acquired intangible assets	92.0	101.4	365.3	472.9
(Gain) loss on fair value remeasurement of contingent consideration	24.6	7.3	30.5	(38.9)
Restructuring charges	93.4	-	93.4	-
SG&A: Stock option expense	-	1.1	-	6.4
R&D: Stock option expense	-	1.0	-	5.8
Donation to Biogen Foundation	-	-	-	35.0
Income tax effect related to reconciling items	(46.9)	(28.7)	(104.3)	(134.9)
Non-GAAP net income attributable to Biogen Inc.	<u>\$ 994.7</u>	<u>\$ 965.6</u>	<u>\$ 3,931.9</u>	<u>\$ 3,281.1</u>

2016 Full Year Guidance: GAAP to Non-GAAP Reconciliation

An itemized reconciliation between projected net income attributable to Biogen Inc. and diluted earnings per share on a GAAP basis and on a Non-GAAP basis is as follows:

	\$	Shares	Diluted EPS
Projected GAAP net income attributable to Biogen Inc.	\$ 3,722.0	218.8	\$ 17.01
Adjustments:			
Amortization of acquired intangible assets	350.0		
(Gain) loss on fair value remeasurement of contingent consideration	20.0		
Restructuring charges	10.0		
Income tax effect related to reconciling items	(65.0)		
Projected Non-GAAP net income attributable to Biogen Inc.	<u>\$ 4,037.0</u>	218.8	\$ 18.45

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 Inc. and diluted earnings per share.

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

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 remeasurement of our contingent consideration obligations.

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

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 Inc.