Biogen Idec to Acquire Stromedix

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-- Stromedix Brings Highly Differentiated Candidate for Treatment of Fibrosis and Core Scientific Team Focused on the Phase 2 program --

-- Acquisition Complements Biogen Idec's Scientific Expertise and Core Capabilities in Immunology --

WESTON & CAMBRIDGE, Mass.--(BUSINESS WIRE)--Biogen Idec (NASDAQ: BIIB) and Stromedix, Inc. today announced that they have entered into a definitive agreement under which Biogen Idec will acquire Stromedix Inc., a privately held biotechnology company focused on innovative therapies for fibrosis and organ failure. Under the terms of the agreement, Biogen Idec will make an upfront cash payment of $75 million and additional contingent value payments of up to $487.5 million based on the achievement of certain development and approval milestones across multiple indications.

Stromedix's lead candidate, STX-100, is a novel humanized monoclonal antibody that selectively disrupts the TGF-beta pathway, which plays a central role in fibrotic disease. STX-100 exhibited significant anti-fibrotic activity in preclinical animal models of fibrotic disease and demonstrated an attractive safety and tolerability profile in a Phase 1 trial. Stromedix has also identified a series of clinical biomarkers that reflects the biological activity of STX-100. STX-100 is entering a Phase 2 trial in patients with idiopathic pulmonary fibrosis (IPF), a debilitating and almost uniformly fatal disease in which patients experience progressive difficulty breathing due to fibrosis (scarring) of the lung. More than 200,000 patients in the United States and Europe have IPF, and there is no FDA-approved treatment for the disease at this time. STX-100 has potential in several additional fibrotic indications given its selective mechanism of action. In addition to STX-100, Stromedix has a preclinical compound that may have utility for the treatment of injury due to inflammation.

"Fibrotic organ failure, and in particular IPF, is a terrible disease with a high mortality rate, and there are no effective treatments at this time," said Douglas E. Williams, EVP, R&D of Biogen Idec. "We believe STX-100 has the potential to be a best-in-class therapy and it is an excellent strategic fit with our focus on highly differentiated programs with the potential to make a real difference for patients. The Phase 2 program complements our scientific expertise and advances our research and development efforts in immunology. We are pleased to welcome Mike and his team back to Biogen Idec to drive STX-100's continued development. Their work in advancing STX-100 through Phase 1 and developing biomarkers to inform upcoming clinical trials increases the likelihood of bringing a much-needed therapy to patients. This acquisition brings together our scientific strengths and capabilities with a clear goal of providing highly effective therapies to patients suffering from fibrosis."

"With a well-established understanding of the fundamental biology and tremendous unmet medical need, fibrosis is one of the most exciting and dynamic areas of drug development today," said Michael Gilman, Ph.D., Founder and CEO of Stromedix, who, before founding Stromedix, led Biogen Idec's research organization from 2000 to 2005. "We appreciate Biogen Idec's focus in immunology and their tremendous international R&D and commercial capabilities. By joining forces, we expect to accelerate the development of STX-100 and other promising early-stage drug candidates. This begins a new chapter for all of us at Stromedix, and we look forward to a bright future as part of Biogen Idec."

The transaction is subject to customary closing conditions.

About Fibrosis and Organ Failure

Fibrosis is wound repair gone awry. It results from the body's attempt to repair chronic tissue injury. Ongoing cycles of injury and repair, often playing out over decades, lead to accumulation of scar tissue in affected organs and disruption of normal tissue architecture and function. Ultimately, the organ fails. Fibrosis is the final common pathway in virtually all forms of chronic organ failure, including kidney, liver and lung, and affects tens of millions of patients in the United States. Nearly 45 percent of all deaths in the developed world are attributable to some type of chronic fibrotic disease. Moreover, the biology of fibrosis is similar regardless of cause – viral, chemical, physical or inflammatory. Fibrosis results from the excessive activity of fibroblasts, in particular a differentiated form known as the myofibroblast. The biology of these cells is well understood, and there is a consensus among experts that pharmacological attenuation of myofibroblast activity ought to slow or perhaps even reverse disease progression, thereby preserving organ function and prolonging a healthy life.

About STX-100

STX-100 is a novel, humanized monoclonal antibody that selectively targets integrin αvβ6. STX-100 binds to αvβ6, preventing αvβ6 from binding to latent (or inactive) TGFβ complex and converting it to active TGFβ, the central driver of fibrosis. STX-100 has exhibited significant anti-fibrotic activity in preclinical animal models. In August 2010, the FDA granted orphan drug designation to STX-100 for the treatment of IPF. Stromedix has completed a Phase 1 clinical trial of STX-100 and is currently initiating a Phase 2 trial in patients with IPF. Stromedix believes that STX-100 has potential therapeutic application across a broad number of fibrotic diseases.

About Biogen Idec

Through cutting-edge science and medicine, Biogen Idec discovers, develops and delivers to patients worldwide innovative therapies for the treatment of neurodegenerative diseases, hemophilia and autoimmune disorders. Founded in 1978, Biogen Idec is the world's oldest independent biotechnology company. Patients worldwide benefit from its leading multiple sclerosis therapies, and the company generates more than $5 billion in annual revenues. For product labeling, press releases and additional information about the company, please visit www.biogenidec.com.

About Stromedix

Stromedix is a privately held biotechnology company based in Cambridge, Massachusetts, focused on innovative therapies for fibrosis and organ failure. Stromedix's investors include Atlas Venture, New Leaf Venture Partners, Bessemer Venture Partners, Red Abbey Venture Partners, and Frazier Healthcare. For more information on Stromedix, please visit www.stromedix.com.

Biogen Idec Safe Harbor Statement

This press release contains forward-looking statements, including statements about product development and commercialization. These forward-looking statements may be accompanied by such words as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "may," "plan," "will" and other words and terms of similar meaning. You should not place undue reliance on these statements. Drug development and commercialization involve a high degree of risk. Factors which could cause actual results to differ materially from our current expectations include the risk that adverse safety events may occur, regulatory authorities may require additional information or may fail to approve any potential new therapy, reimbursement for our products may be limited or unavailable, we may encounter problems with our manufacturing processes, we may be unable to adequately protect our intellectual property rights, and the other risks and uncertainties that are described in the Risk Factors section of our most recent annual or quarterly report and in other reports Biogen Idec Inc. has filed with the SEC. These statements are based on current beliefs and expectations and speak only as of the date of this press release. We do not undertake any obligation to publicly update any forward-looking statements.

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