

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

**BIOGEN IDEC INC.**


(Name of Registrant as Specified In Its Charter)

**N.A.**

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
    - (1) Title of each class of securities to which transaction applies:
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    - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
    - (4) Proposed maximum aggregate value of transaction:
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  - Fee paid previously with preliminary materials.
  - Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
    - (1) Amount Previously Paid:
    - (2) Form, Schedule or Registration Statement No.:
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    - (4) Date Filed:
-



**Biogen Idec  
Response to Icahn Assertions**

*Spring 2009*

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# Forward Looking and Proxy Solicitation Statements

- This presentation includes forward-looking statements about:
  - the anticipated development of programs in our clinical pipeline
  - the sales potential and size of the market for TYSABRI
- Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those that we express or imply, including our continued dependence on our two principal products, AVONEX and RITUXAN, the uncertainty of success in commercializing other products including TYSABRI, the occurrence of adverse safety events with our products, competitive pressures, changes in the availability of reimbursement for our products, our dependence on collaborations over which we may not always have full control, failure to execute our growth initiatives, possible adverse impact of government regulation, problems with our manufacturing processes and our reliance on third parties, the impact of the global credit crisis, the market, interest and credit risks associated with our portfolio of marketable securities, our significant investment in a manufacturing facility currently under development, our ability to attract and retain qualified personnel, the risks of doing business internationally, the actions of activist shareholders, fluctuations in our operating results, our ability to protect our intellectual property rights and the cost of doing so, product liability claims, fluctuations in our effective tax rate, our level of indebtedness, environmental risks, aspects of our corporate governance and collaborations and the other risks and uncertainties that are described in Item 1.A. Risk Factors in our annual report on Form 10-K and in other reports we file with the SEC.
- These forward-looking statements speak only as of the date of this presentation, and we do not undertake any obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.
- On April 27, 2009, Biogen Idec filed a definitive proxy statement with the Securities and Exchange Commission (the "SEC") in connection with the Company's 2009 Annual Meeting. Biogen Idec's stockholders are strongly advised to read the definitive proxy statement carefully before making any voting or investment decision because the definitive proxy statement contains important information. The Company's proxy statement and any other materials filed by the Company with the SEC can be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov) or from Biogen Idec at <http://investor.biogenidec.com>. The Company's definitive proxy statement and other materials will also be available for free by writing to Biogen Idec Inc., 14 Cambridge Center, Cambridge, MA 02142 or by contacting our proxy solicitor, Innisfree M&A Incorporated, by toll-free telephone at (877) 750-5836.

# Response to Icahn Assertions

*We believe that despite his twenty-four months as a shareholder, Icahn's messages reflect a lack of understanding of our business and warrant further clarification*

*Icahn's experience with a niche, US-focused biotech does not translate to a global, fully integrated biopharmaceutical company and his materials contain specific inaccuracies and cherry-picking of data to suit his agenda*

## **We believe:**

- 1 Biogen Idec merger delivered on goals, created value for shareholders and is broadly viewed as a success
- 2 Biogen Idec has increased operating leverage while remaining committed to investing in R&D, with high investment relative to peer benchmarks
- 3 Biogen Idec focuses on specialty products addressing high unmet need, and is advancing a broad, deep pipeline, augmented with targeted business development activity
- 4 Biogen Idec is maximizing the value of our marketed products through appropriate lifecycle investment
- 5 Management and Board leadership are committed to Biogen Idec and aligned with shareholder interests

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# Biogen Idec Merger Focused on Accelerating Growth

*Icahn Focus on Operational Expense Ignores Broader Merger Goals*

		Goal	Result
Fusion of Strengths	Scientific Excellence	• Combination of renowned scientists in oncology, neurology and immunology	✓
	Management Expertise	• A proven management team	✓
	Pipeline Augmentation	• A broader pipeline in high growth areas (immunology, oncology)	✓
Scale and Breadth	Global Footprint	• 40% of revenue from international business	On Track <sup>(1)</sup>
	Manufacturing / Admin. Efficiencies	• Streamlined manufacturing process optimized to prevent order backlogs	✓
	Revenue Diversification	• #1 Blockbuster products in MS and NHL	✓
Economic Acceleration	Revenue and Earnings Growth	• Achieve annual revenue growth of 15% and EPS growth of 20%	✓
	Capital Efficiency	• Significant costs avoided in 2004 by delaying construction of the Denmark manufacturing facility	✓
	Synergy Achievements	• Decrease OpEx / CapEx, capitalize on treasury/tax benefits, leverage organizational infrastructure	✓
	Free Cash Flow	• Increase FCF by \$50M/yr	✓

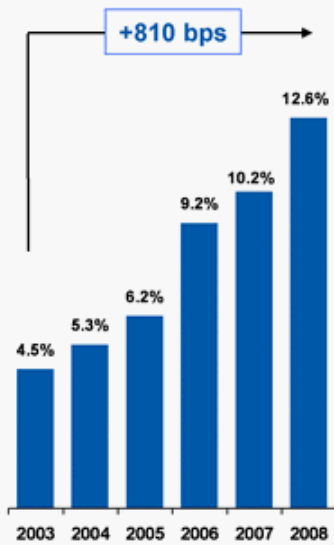
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4 <sup>(1)</sup> 33% of revenue from international business in 2008 and we are well positioned to achieve 40% by 2010

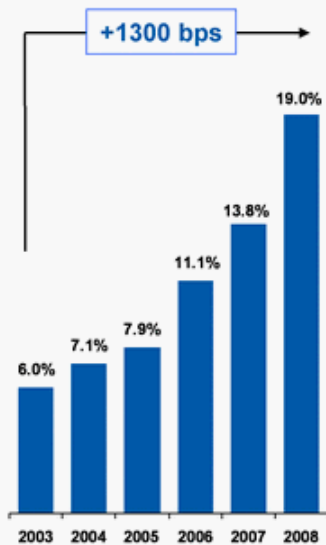
# Merger Delivered Targeted Financial Returns

*We Have Realized Greater Capital Efficiency Delivering on Our Stated Merger Goals*

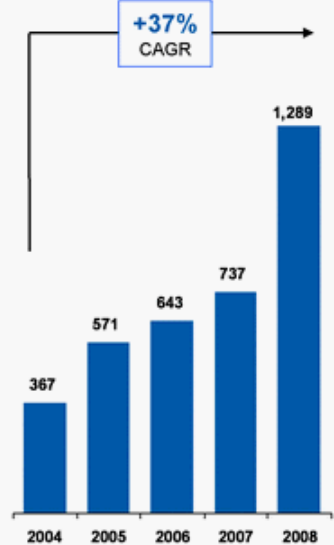
**Return on Assets (%)**



**Return on Equity (%)**



**Free Cash Flow (\$M)**



Note: 2003 is pro forma data for the Biogen and Iddec merger. Ratios are based on Non-GAAP figures which exclude the impact of purchase accounting, merger-related adjustments, stock option expense, and other items and their related tax effects. GAAP to non-GAAP EPS reconciliation is provided in the appendix at the end of this presentation. Free cash flow defined as cash flows from operations minus capital expenditures as disclosed on our Form 10-K

# The Street Views the Merger as a Success

## The Merger Was Viewed Positively...

"In our opinion, the rationale for the merger is being driven by a long-term strategic objective to build critical mass and avoid certain operating costs as a combined entity... As a combined company with greater critical mass, this should **provide more leverage as a partner of choice** for new compounds versus each as a standalone company."

*Elise Wang, Citigroup, 28-Oct-2003*

"The combination of Biogen and IDEC will create the third largest biotechnology company as measured by both anticipated market capitalization as well as revenue... **Biogen IDEC will be in a stronger position to make future product acquisitions and to become a partner of choice** for other biotech companies, in our view."

*Dennis Harp, Deutsche Bank, 24-Jun-2003*

"We believe the combined entity, Biogen Idec, provides an attractive opportunity, in light of the merged company's diversified business operations... Although we were **Neutral on Biogen as an independent entity**, we reiterate our **Outperform rating for the combined company**, as we believe there is **potential upside for the merged company**."

*Sena Lund, Cathay Financial, 14-Nov-2003*

## ...And Has Delivered

"One year later the **shareholders of the merged entity appear quite happy**. The base business for each company has held up remarkably well and the company is preparing to launch Antegren, a major new product for the treatment of multiple sclerosis."

*David Molowa, UBS, 4-Aug-2004*

"We view the [PDL] transaction as a positive for Biogen. We believe the deal **highlights the synergy of the Biogen-Idec merger that had as one of its goals increasing the attractiveness of the combined company for in-licensing oncology/ autoimmune product candidates**."

*Jason Kantor, RBC Capital Markets, 2-Aug-2005*

"One of the stated reasons for the original Biogen and Idec merger was to **combine and leverage Idec's expertise in oncology (with the development of Rituxan) and Biogen's worldwide commercial and R&D infrastructure**... We have now seen Biogen enter into a major alliance with PDL and now acquire Conformia, as well as a number of other oncology partnering deals (Sunesis for kinase inhibitors, ImmunoGen for antibody conjugates, etc). In our view, even though these are early stage candidates, they are the start of what could be a significant future oncology company with Rituxan as the cornerstone franchise."

*Jason Kantor, RBC Capital Markets, 3-May-2006*

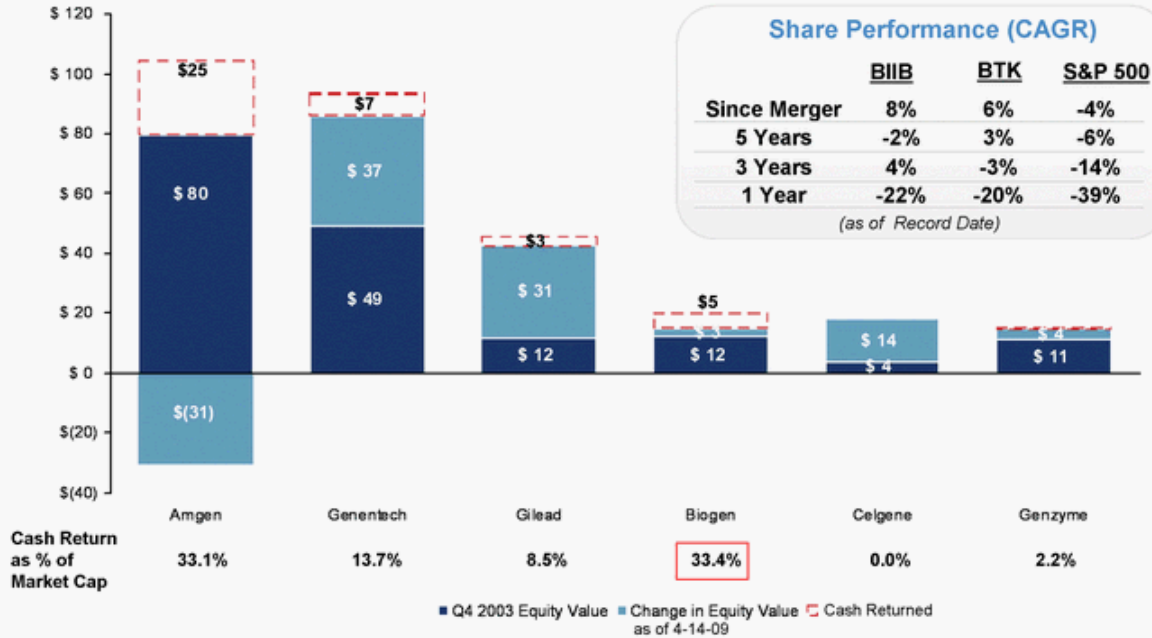
Source: Wall Street Research

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# Biogen Idec Has Returned Significant Cash to Investors Since the Merger

(\$ in billions)



Source: SEC filings and FactSet; percentages calculated based on market value of companies at the year-end preceding the execution of each year's share repurchase; Genentech adjusted to unaffected share price of \$81.82 on 18-Jul-2008; Amgen Equity Value as of 4-14-09 = \$49B



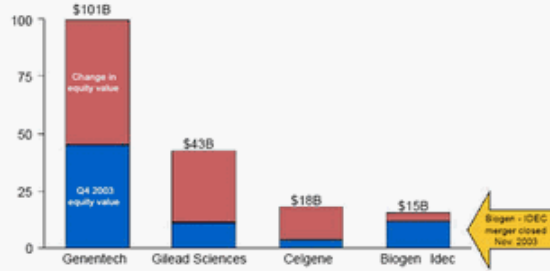
# Misrepresentation of Value Creation

*Icahn Neglects to Account for Cash Returned to Shareholders on Both an Absolute and Relative Basis and Chooses Peers Selectively*

## Icahn Biogen Idec Investor Presentation

However, merger has failed to create much value

Current equity value (\$B)



Note: Current price from April 2010. Change in equity value is growth from Q4 2003 to April 2009  
Source: Bloomberg, Company documents

Genentech Operations Nov. Inc. 7

## Reality

### Biogen Idec Has Returned Significant Cash to Investors Since the Merger

(\$ in billions)



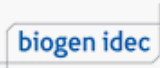
Share Performance (CAGR)

	BIB	RTX	S&P 500
Since Merger	8%	6%	-8%
5 Years	-2%	3%	-6%
3 Years	4%	-3%	-14%
1 Year	-22%	-20%	-39%

(as of Record Date)

Cash Return as % of Market Cap: Amgen 33.1%, Genentech 13.7%, Gilead 8.8%, Biogen Idec 33.4%, Celgene 0.6%, Genzyme 2.2%

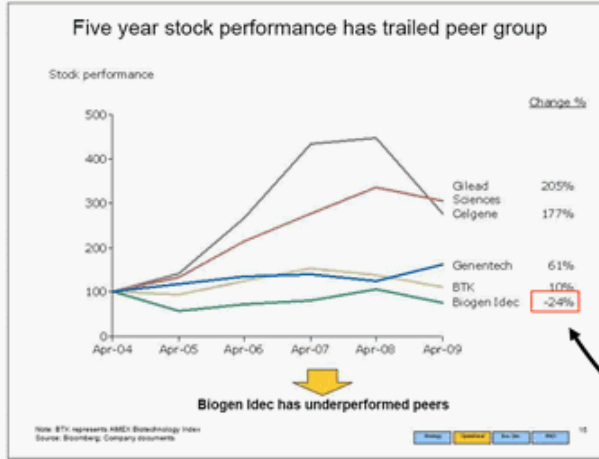
Source: SEC filings and FactSet, percentages calculated based on market value of companies at the year-end preceding the execution of each year's share repurchase. Genentech adjusted to unaffiliated share price of \$31.02 on 10-Jul-2008.



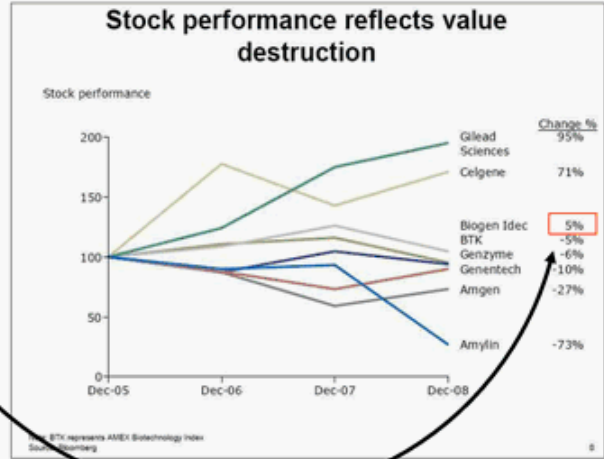
# Selective Dates and Peer Group to Suit Icahn's Agenda

*Icahn Selectively Leaves Out Comparable Companies and Cherry-Picks Time Period Convenient For His Comparison - Biogen Idec is a Top 3 Performer in His Amylin Presentation*

## Icahn Biogen Idec Investor Presentation

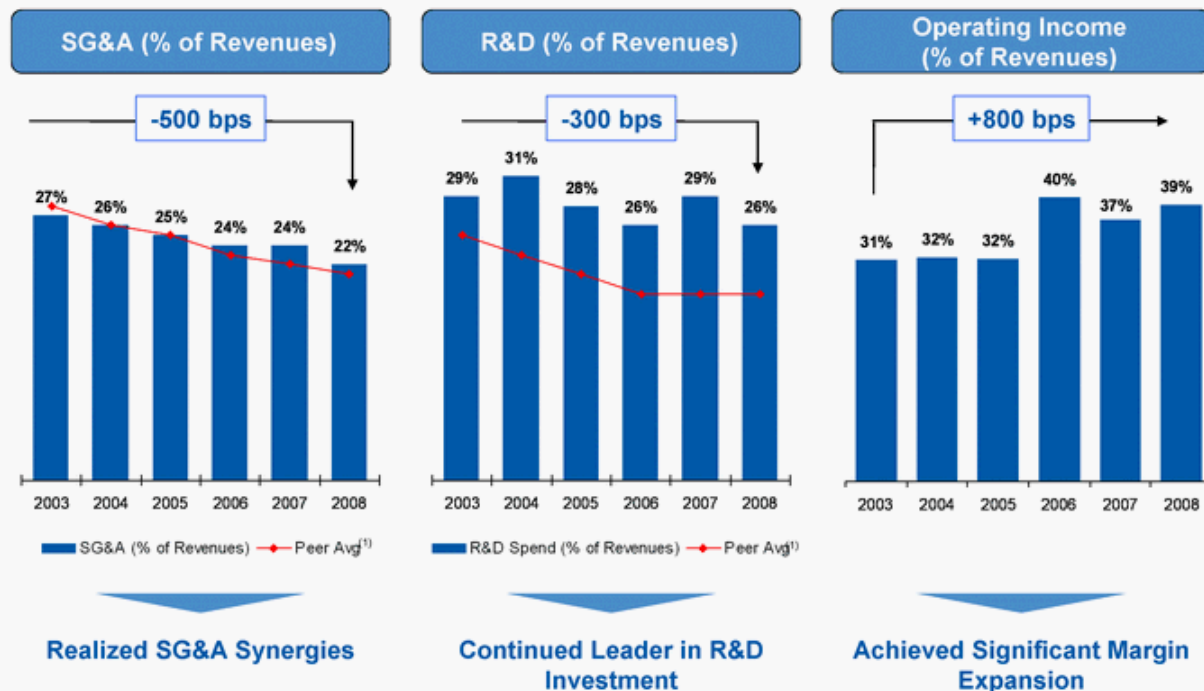


## Icahn Amylin Investor Presentation



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## Biogen Idec Has Achieved Efficiency Gains While Supporting Continued R&D Investment



(1) Peer Average includes Genentech, Gilead, Genzyme, Amgen and Celgene

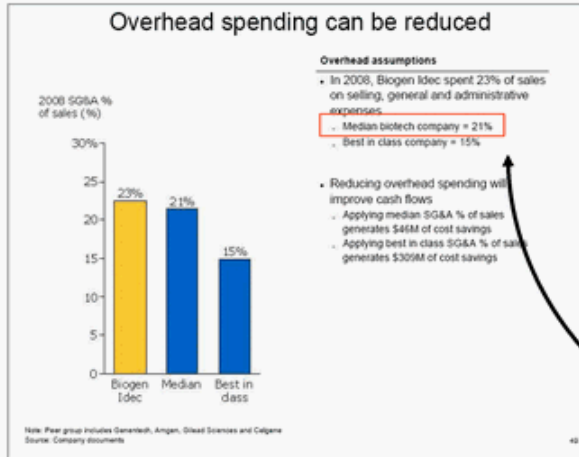
Note: 2003 is pro forma data for the Biogen and Idec merger. Ratios are based on Non-GAAP figures which exclude the impact of purchase accounting, merger-related adjustments, stock option expense, and other items and their related tax effects. GAAP to non-GAAP EPS reconciliation is provided in the appendix at the end of this presentation; Operating Expenses defined as SG&A and R&D

Source: SEC filings

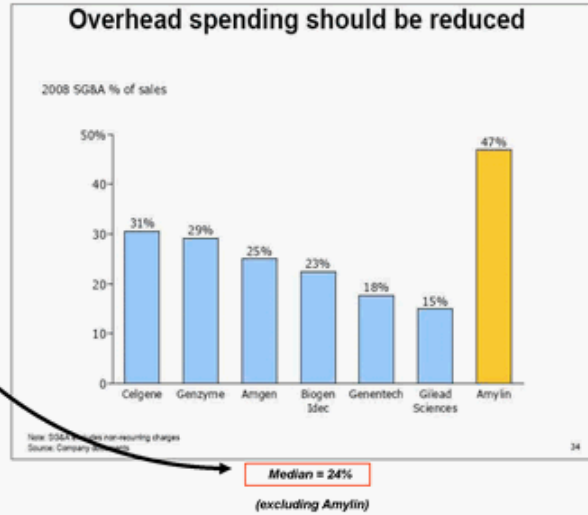
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# Selective Peer Benchmarking to Misrepresent Performance

## Icahn Biogen Idec Investor Presentation



## Icahn Amylin Investor Presentation



# Fundamental Misunderstanding of Biogen Idec Strategy

## Icahn Biogen Idec Investor Presentation

Pipeline seems to lack strategic focus

	Biogen Idec	Genentech	Gilead Sciences	Celgene
Autoimmune / Inflammation	✓	✓		✓
Cardiovascular	✓	✓	✓	
Hemophilia	✓			
Neurosciences	✓			
Oncology	✓	✓		✓
Antiviral			✓	

Source: Company documents

## Biogen Idec Management Presentation

### Winning Strategy

- Specialty markets with significant needs
- First-in-class or best-in-class molecules
- Global

Global Footprint Expanding

- 2006
- 2007-2008
- 2011-2012
- 2013+

# Misrepresentation of Biogen Idec Pipeline

*Icahn Omits Several Pipeline Programs and Focuses on Phase 3 Trials, Which Have Lengthy Enrollment and Treatment Periods*

## Icahn Biogen Idec Investor Presentation

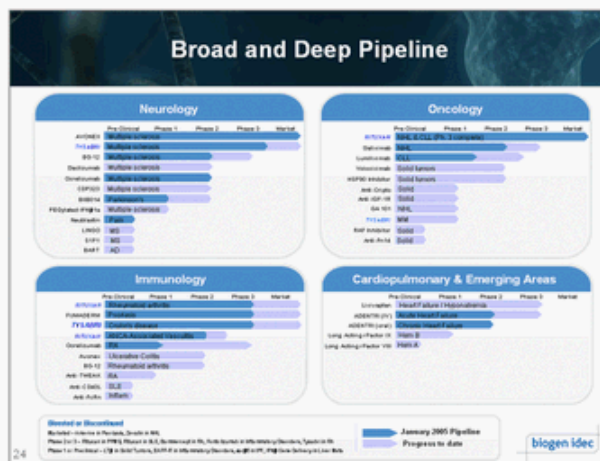
**Failure to advance pipeline**

Compound	Therapeutic Area	2006	Today
BG-12	Relapsing MS	Phase 3	Phase 3
Galiximab	Relapsed NHL	Phase 3	Phase 3
Lumiliximab	Relapsed CLL	Phase 2/3	Phase 2/3
Corelizumab	RA	Phase 2	Phase 3
Lixivaptan	Hypotension	Phase 2	Phase 3
ADENTRI	CHF	Phase 2	Phase 3
BIB014	Parkinson's	Phase 2	Phase 2
Delectumab	MS	Phase 2	Phase 2
CDP323	MS	Phase 1	Phase 2
Corelizumab	MS	Phase 2	Phase 2
Vilobiximab	NSCLC	Phase 2	Phase 2
HSP90	Oncology	Phase 1	Phase 2
GA101	INL	Phase 1	Phase 2
Aviptadi	PAH	Phase 2	Phase 2

**Pipeline has made little progress**

Note: Bold & shading denotes no apparent progress since 2006. Source: Company documents.

## Reality



# Misrepresentation of Biogen Idec Deal Activity

*In Fact, Management has Completed Ten In-Licensing Deals and Three Acquisitions Since 2005*

## Icahn Biogen Idec Investor Presentation

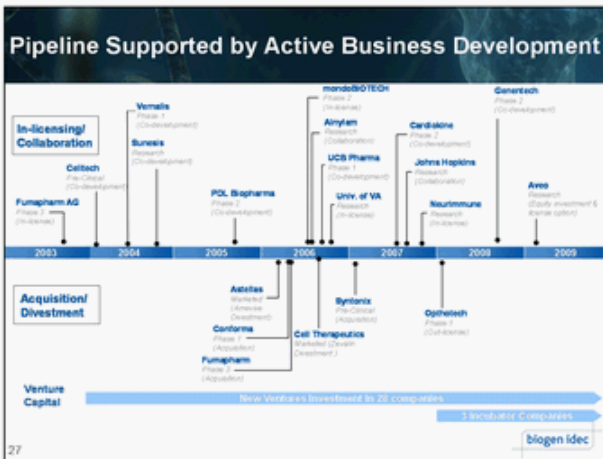
Management has completed only five product in-licensing deals in five years

Date	Partner	Product	Consideration
• August 2005	• Protein Design Labs	• Fostolizumab • Dacizumab • Volociximab	• \$40M upfront • \$100M investment in Protein Design Labs stock
• October 2006	• UCB	• CDP323	• \$30M upfront
• July 2007	• CardioKine	• Aviptadil	• \$50M upfront
• October 2008	• Genentech	• GA101	• \$31M upfront
• March 2009	• Aveo	• Erib3	• NA

Suboptimal licensing efforts over last 5 years

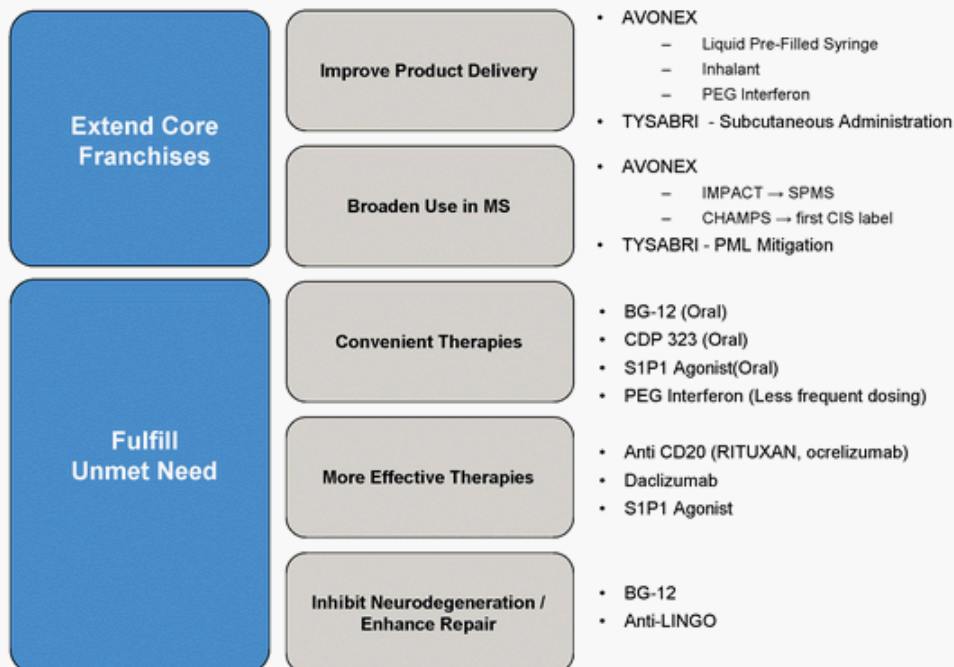
Source: Company Reports

## Reality



# Continued Investment in Industry-Leading Multiple Sclerosis Franchise

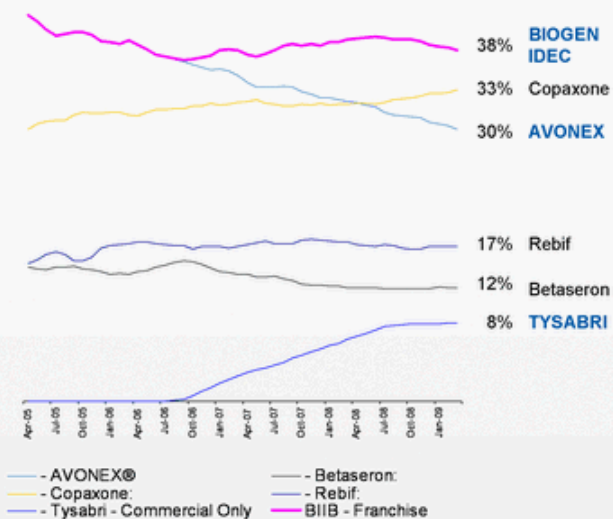
*Lifecycle Management Fits Into Broader Multiple Sclerosis Strategy, Behind Which Biogen Idec Has Invested Aggressively*





# Biogen Idec Continues as U.S. Multiple Sclerosis Market Share Leader

ABCRT U.S. Rolling 3 Month Share Trends

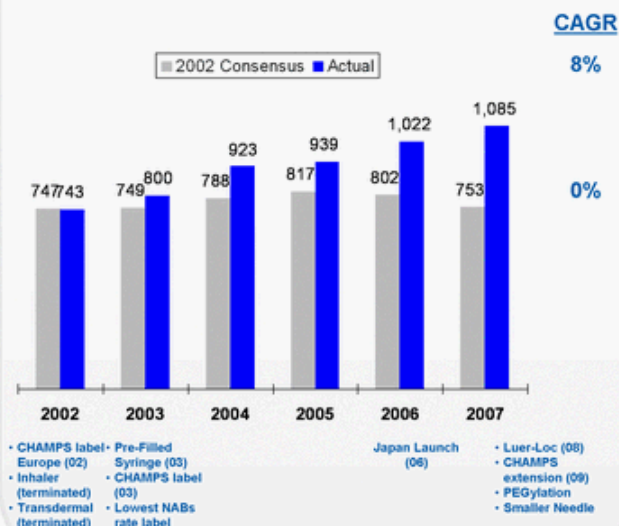


Biogen Idec held 38% MS market share in March, 2009 vs. 33% for Copaxone

Note: Includes Caremark outlet data prior to Sep 2007 and Caremark physician level data from Sep 2007 forward  
 Includes Advanced Care Scripts from June 2007 forward  
 Source: IMS / Caremark / Nova Factor / Biogen Idec Data as of Feb 2009

# AVONEX Outperformed Wall Street Consensus After Rebif's Entry

## AVONEX U.S. Revenue (\$M)



### 2002 Challenge

"Rebif breaks AVONEX's Exclusivity; Lowering Estimates" – CSFB

"Biogen's AVONEX prescription share is expected to decline rapidly..." – SG Cowen

### 2009 Headlines

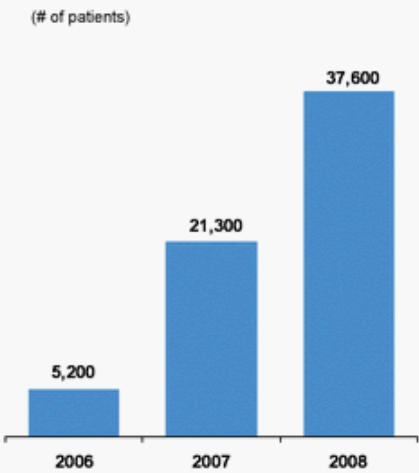
"Given Biogen's dependence on AVONEX with regard to revenue and cash flow, **the development of pegylated interferon  $\beta$ -1a represents a smart lifecycle management strategy.**"- CSFB

"...we expect PEG-Avonex's convenience advantage will allow BIB not only to defend Avonex against biosimilars, but also to gain share based on a substantially improved convenience profile over current therapies."  
– Cowen

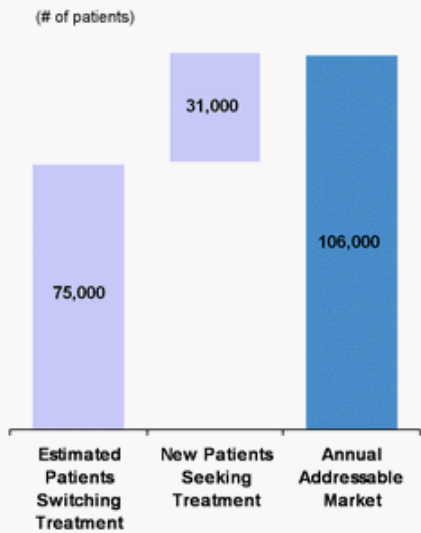
# 100,000 Patients on TYSABRI Remains an Appropriate Goal

While Goal Appears Difficult to Reach by End of 2010, 100,000 Patients Remains an Appropriate Goal Given Multiple Sclerosis Market Dynamics

**Tysabri Patient Trajectory**



**Annual Addressable Market**



Note: Annual Addressable Market is illustrative, based on 2008 patient numbers; Total Estimated MS Market of ~504,000 patients globally in 2008, with ~15% switching therapies; New patients seeking treatment include patients who have discontinued therapy in a prior year.



## AMEVIVE Divestiture in Context

*Early, Decisive Action With Respect To All Aspects of the Business is Critical to Value Creation*

- While AMEVIVE performance was disappointing, underperforming products are common across Biotech Industry<sup>(1)</sup>
- Decisive divestiture of AMEVIVE is representative of Biogen Idec's commitment to maximizing shareholder value

### **Commitment to Maximizing Shareholder Value**

2005 Restructuring

Divestiture of  
AMEVIVE and  
ZEVALIN

Sale of Two  
Manufacturing  
Facilities

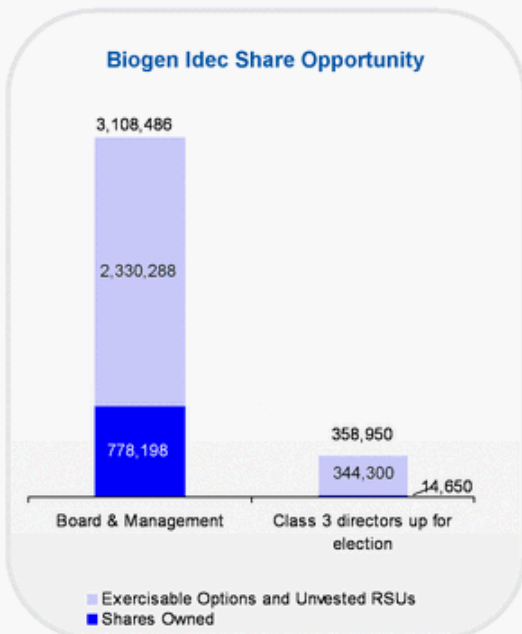
2007 Exploration of  
Strategic Alternatives

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19 (1) Only 3 in 10 products recoup the cost of investment - Grabowski, Vernon & DiMasi, "Returns on Research and Development for 1990s New Drug Introductions," *Pharmacoeconomics*, December 2002

# Committed Leadership Team

*While Leadership Has Evolved Since 2003, Current Team Has Deep Experience at Biogen Idec and Incentives Reflect Alignment With Shareholder Interests*



Position	Current Officer	Tenure at Biogen Idec <sup>(1)</sup>	Equity Share of Total '08 Comp.
Chairman	Bruce Ross	12 years	74%
CEO	James Mullen	20 years	61%
CFO	Paul Clancy	8 years	44%
COO	Robert Hamm	15 years	55%
President of R&D	Cecil Pickett	2.5 years <sup>(2)</sup>	50%

(1) Includes tenure at legacy Biogen or Idec prior to 2003  
 (2) President of R&D recruited externally based on need identified in 2005 to reinvigorate R&D  
 Source: Biogen Idec 2009 Proxy Statement

# GAAP to non-GAAP Reconciliation

## Diluted EPS and Net Income Attributable to Biogen Idec Inc

Condensed Consolidated Statements of Income – Operating Basis	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
<b>GAAP diluted EPS</b>	<b>(4.92)</b>	<b>0.07</b>	<b>0.47</b>	<b>0.63</b>	<b>1.99</b>	<b>2.65</b>
Adjustment to net income attributable to Biogen Idec Inc. (see below)	6.14	1.38	1.10	1.62	0.75	1.01
Effect of FAS 128 and ETIF 0306	-	(0.05)	-	-	-	-
<b>Non-GAAP diluted EPS</b>	<b>1.22</b>	<b>1.40</b>	<b>1.57</b>	<b>2.25</b>	<b>2.74</b>	<b>3.66</b>
<b>GAAP Net Income Attributable to Biogen Idec Inc. (\$M)</b>	<b>(875.1)</b>	<b>25.1</b>	<b>160.7</b>	<b>217.5</b>	<b>638.2</b>	<b>783.2</b>
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 – Armevive 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	1.2
R&D – Sale of plant	-	-	1.9	-	-	-
R&D – Expenses paid by Cardiokine	-	-	-	-	-	5.2
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	3.8
Amortization of intangible assets primarily related to Biogen merger	33.2	347.7	302.3	267.0	257.5	332.7
In-process R&D related to the Biogen Idec merger, acquisitions of Conforma, Syntonia, and Fumapharm, and consolidation of Cardiokine, Neurimmune and Escoubloc and contingent consideration payment in 2008 associated with the 2006 Conforma acquisition	623.0	-	-	330.5	84.2	25.0
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)	(9.2)
Other income, net: Pre-merger Biogen	32.9	-	-	-	-	-
Other income, net: Gain on sale of long lived assets	-	-	-	-	(7.1)	-
Write down of investments	-	12.7	-	-	-	-
Charitable donations and legal settlements	30.7	-	-	-	-	-
Income taxes: Income tax effect primarily related to reconciling items	(205.8)	(195.4)	(145.2)	(70.3)	(65.5)	(81.9)
Stock option expense	-	-	-	44.5	35.6	26.2
Net Income Attributable to Non-Controlling Interests: Consolidation of Cardiokine and Neurimmune and expenses paid by Cardiokine	-	-	-	-	(65.2)	(5.2)
<b>Non-GAAP Net Income Attributable to Biogen Idec Inc.</b>	<b>431.7</b>	<b>499.0</b>	<b>541.7</b>	<b>776.8</b>	<b>879.1</b>	<b>1,081.0</b>

Notes: The non-GAAP financial measures presented in this table are utilized by Biogen Idec management to gain an understanding of the comparative financial performance of the Company. Our non-GAAP financial measures are defined as reported, or GAAP, values excluding (1) purchase accounting and merger-related adjustments, (2) stock option expense and the cumulative effect of an accounting change relating to the initial adoption of SFAS No. 123R and (3) other items. Our management uses these non-GAAP financial measures to establish financial goals and to gain an understanding of the comparative financial performance of the Company from year to year and quarter to quarter. Accordingly, we believe investors' understanding of the Company's financial performance is enhanced as a result of our disclosing these non-GAAP financial measures. Non-GAAP net income attributable to Biogen Idec Inc and non-GAAP diluted EPS should not be viewed in isolation or as a substitute for reported, or GAAP, net income attributable to Biogen Idec Inc and diluted EPS.

The GAAP figures reflect:

\* 2004 and beyond – the combined Biogen Idec

\* 2003 – a full year of IDEC Pharmaceuticals and 7 weeks of the former Biogen, Inc. (for the period 11/13/03 through 12/31/03)

Numbers may not foot due to rounding.

Free Cash Flow Reconciliation (\$M)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Net cash flows provided by operating activities	728.0	889.5	841.3	1,020.6	1,564.5
Purchases of property, plant and equipment (Capital Expenditures)	361.0	318.4	198.3	284.1	276.0
<b>Free Cash Flow</b>	<b>367.0</b>	<b>571.1</b>	<b>643.0</b>	<b>736.5</b>	<b>1,288.5</b>

Source: Biogen Idec Annual Reports, 10-K filings and earnings press releases (FY 2003-2008).

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