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 o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

o 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.

o 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:

(2) Aggregate number of securities to which transaction applies:

(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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o Fee paid previously with preliminary materials.

o 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.:

(3) Filing Party:

(4) Date Filed:

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Biogen Idec Q4 and FY 2008 Earnings Conference Call and Webcast

February 6, 2009

Forward Looking Statements and Important Information

This presentation includes forward-looking statements about:

- our 2009 guidance and our financial and operational goals through 2010
- our expected revenues (including royalty revenues), earnings, cash flows, and tax rate
- estimates of sales for our products and the size and growth of the markets for our products
- our expected filings with regulatory agencies
- the anticipated development and timing of programs in our clinical pipeline
- the sales potential of TYSABRI®
- the management of our marketable securities portfolio
- the availability of external growth opportunities

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 new manufacturing facility in Denmark, 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.

Biogen Idec and its directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies from the stockholders of Biogen Idec in connection with the Company's 2009 annual meeting of stockholders. Information concerning the interests of participants in the solicitation of proxies will be included in any proxy statement filed by Biogen Idec in connection with the Company's 2009 annual meeting of stockholders.

In addition, Biogen Idec files annual, quarterly and special reports with the Securities and Exchange Commission (the "SEC"). The proxy statements and other reports, when available, can be obtained free of charge at the SEC's web site at www.sec.gov or from Biogen Idec at www.biogenidec.com. Biogen Idec stockholders are advised to read carefully any proxy statement filed in connection with the Company's 2009 annual meeting of stockholders when it becomes available before making any voting or investment decision. The Company's proxy statement will also be available for free by writing to Biogen Idec Inc., 14 Cambridge Center, Cambridge, MA 02142. In addition, copies of the proxy materials may be requested from our proxy solicitor, Innisfree M&A Incorporated, by toll-free telephone at (877) 750-5836 or by e-mail at info@innisfreema.com.

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Q4 and FY 2008 Earnings Call Agenda

- Introduction
  - Elizabeth Woo, Vice President, Investor Relations
- Overview
  - Jim Mullen, Chief Executive Officer
- Commercial Update
  - Bill Sibold, Senior Vice President, US Commercial
- R&D Update
  - Dr. Cecil Pickett, President, Research & Development
- Financial Performance
  - Paul Clancy, Chief Financial Officer
- Q&A

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James Mullen
Chief Executive Officer

Business Overview

2008 Full Year Overview

- Robust Full Year 2008 Financial Performance
  - Top Line
    - Exceeded $4 billion goal for revenues
    - Revenue growth y/y of 29%
  - Bottom Line
    - Exceeded net income of $750 million for GAAP and $1 billion for non-GAAP
    - Diluted EPS growth y/y of 33% for GAAP and 34% for non-GAAP
- Outstanding Product Performance
  - Revenues to Biogen Idec from RITUXAN® of $1.1 billion, +22% growth y/y
  - AVONEX® worldwide revenues of $2.2 billion, +18% growth y/y
  - TYSABRI® global end user sales exiting 2008 at run rate of $850+ million annually
- Pipeline Advancing
  - Five novel compounds in registrational trials
  - Eleven data readouts in 2008 that enabled decisions
  - Initiated three proof of concept studies
  - Five programs went into the clinic and started first in human trials
- FY 2009 Guidance
  - Revenue growth in the high single digits
  - Non-GAAP diluted EPS is expected to be above $4.00, and GAAP diluted EPS is expected to be above $2.80.

Note: See Table 3 from Biogen Idec's Q4'08 earnings press release or the end of this presentation for reconciliation of GAAP diluted EPS to non-GAAP diluted EPS.

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2010 Goals

	Goal	Progress
Products	• TYSABRI® patients on therapy exceeds 100,000 by year end 2010 • AVONEX® maintains its patient market share in the "ABCR" market • Anti-CD20 franchise growth fueled by filings in at least 2 additional indications • Over 40% of revenue from International business	• 37,600 patients on TYSABRI® • AVONEX® share of "ABCR" market slightly down • RITUXAN® DMARD-IR indication filed and CLL filing planned • 33% of revenue from International business in 2008
Pipeline	• 2 new products or indications launched • 6 programs in late stage development • Continued disciplined execution of external growth strategy	• TYSABRI® Crohn's launched • 5 novel programs in late stage • Actively exploring BD opportunities
Financial	• 15% top line CAGR from 2007 to 2010 • 20% bottom line CAGR from 2007 to 2010	• 29% top line growth y/y in 2008 • 34% bottom line growth y/y in 2008

Note: The bottom line, or EPS, reference in this slide refers to non-GAAP EPS. Non-GAAP EPS excludes 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.

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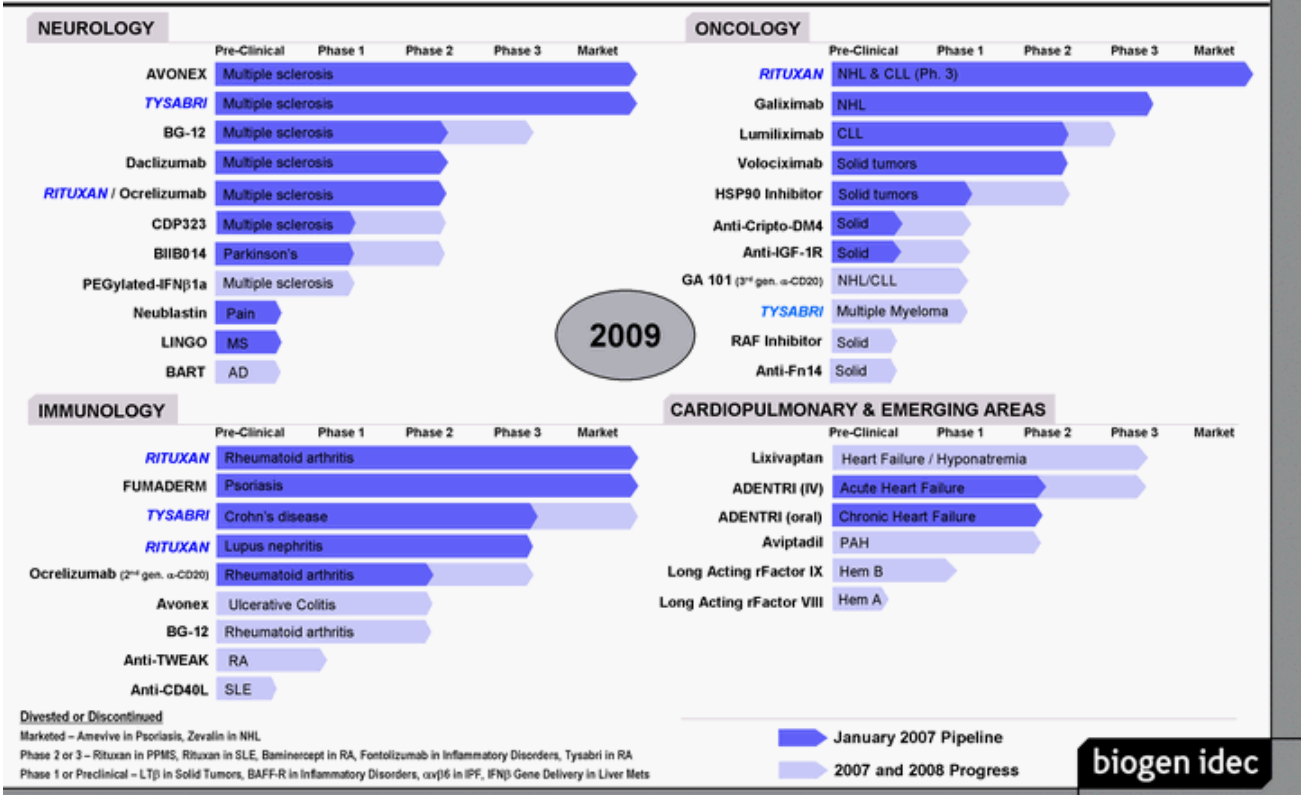
Broad and Deep Pipeline



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Bill Sibold
Senior Vice President

MS Franchise Update

Leading Multiple Sclerosis Franchise

- AVONEX® – #1 prescribed MS therapy worldwide
- TYSABRI® – New level of efficacy
  - 2009 Marketing Plan
    - Further communicate TYSABRI's unprecedented efficacy
    - Increase physician comfort in diagnosing and treating PML
    - Translate improved benefit/risk understanding into increased and sustained use
- Pipeline – Best and broadest for the future

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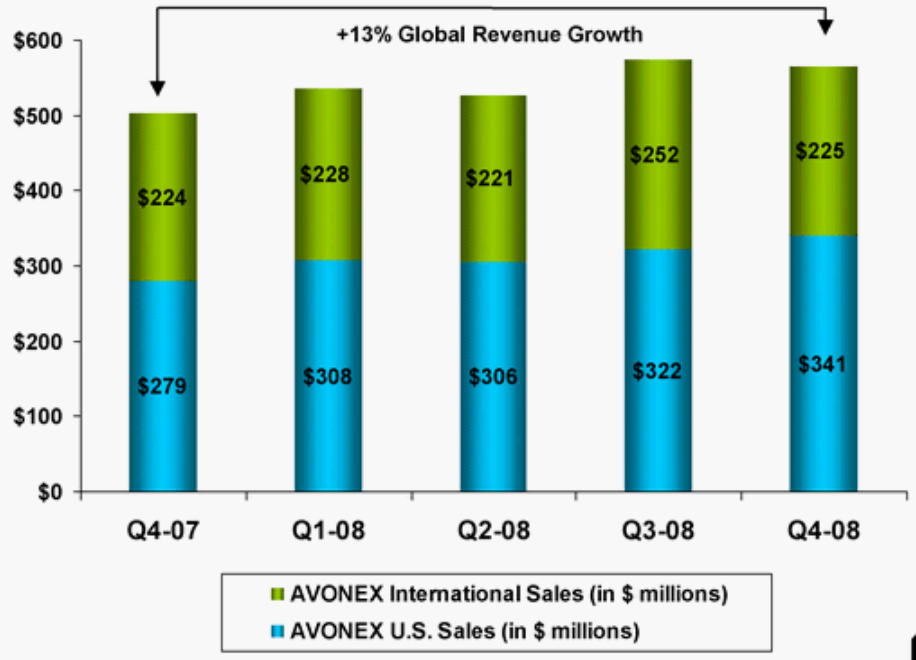
AVONEX® …
Disrupts Disease Not Patients' Lives

Most prescribed MS therapy & 12 years as market leader



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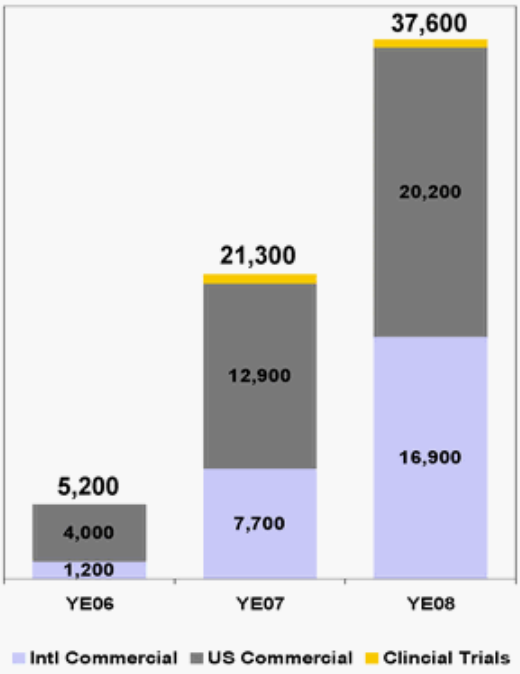
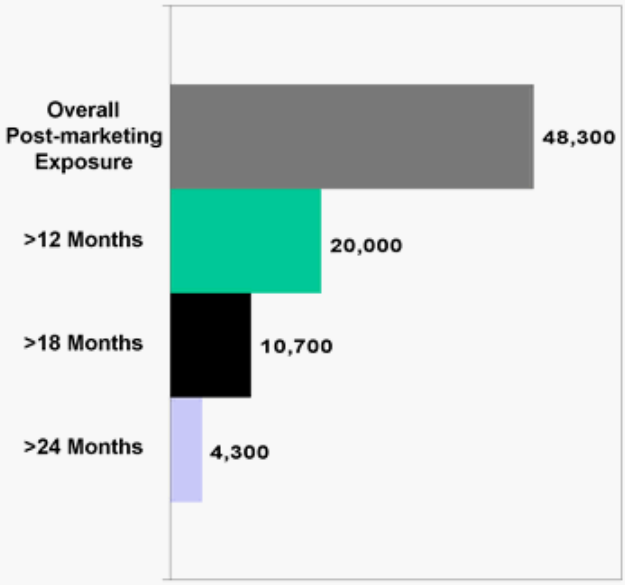
TYSABRI® Utilization and Exposure
As of Year End 2008

TYSABRI Utilization



TYSABRI Post-Marketing Exposure (Patients)



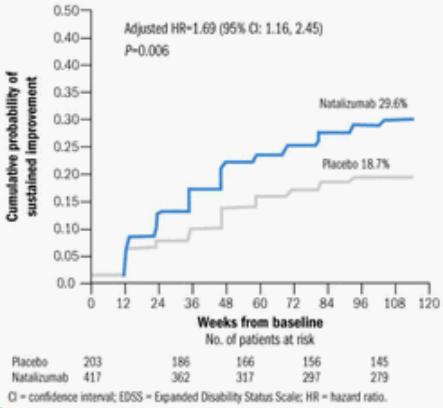
Note: Post-marketing exposure data includes patients exposed since November 23, 2004 and excludes approximately 4,700 patients exposed in clinical trials. Of the clinical trial patients; 2,100 were exposed for >12 months; 1,800 were exposed for >18 months; 1,400 were exposed >24 months.

TYSABRI® Efficacy Compelling

Improvement in Disability

- Only approved therapy to have data on sustained disability **improvement**

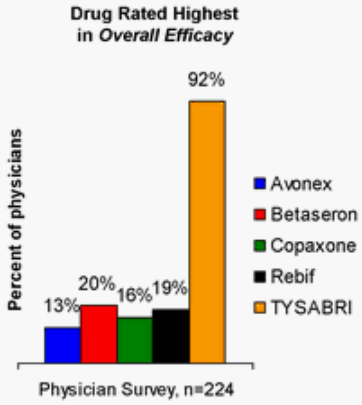
Sustained improvement in physical disability in patients with baseline EDSS score ≥ 2.0



CI = confidence interval; EDSS = Expanded Disability Status Scale; HR = hazard ratio.

Physician Perception

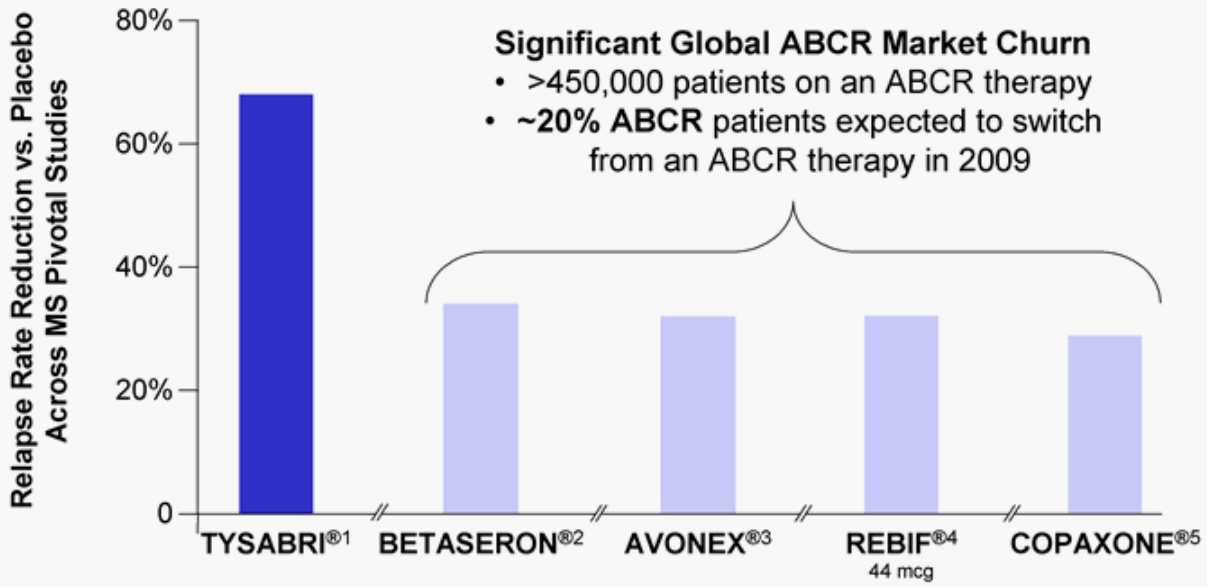
- TYSABRI recognized by **>90% of Neurologists** as most effective MS therapy



Note: Tysabri data presented at 2008 ECTRIMS meeting, Munschauer et al. P474. Physician perception based on October 2008 Biogen Idec market research.

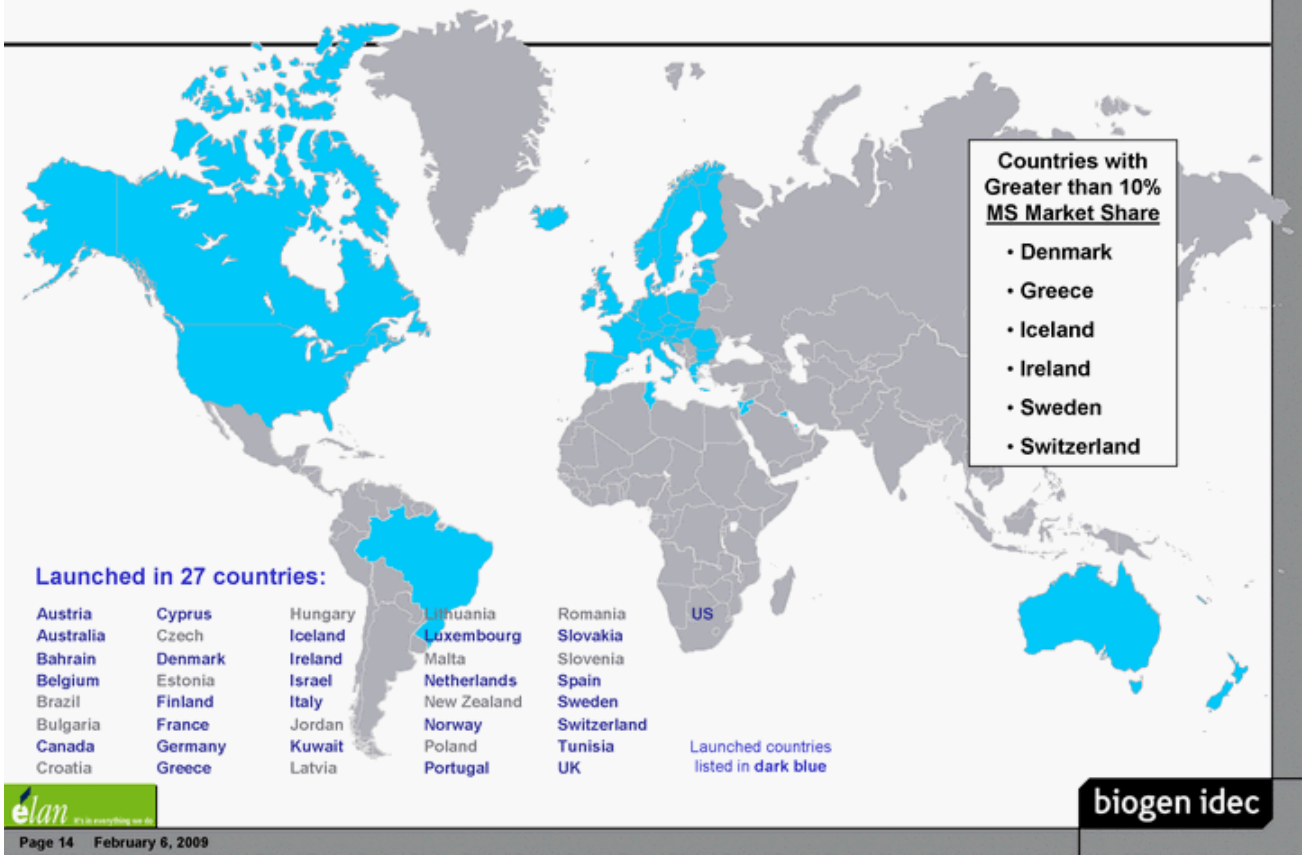
TYSABRI (natalizumab)

Unmet Need in MS Market



[1]Polman CH, et al. *N Engl J Med*. 2006;354:899-910; [2]IFNB MS Study Group. *Neurology*. 1993;43:655-661; [3]Jacobs LD, et al. *Ann Neurol*. 1996;39:285-294; [4]PRISMS Study Group. *Lancet*.1998;352:1498-1504; [5]Johnson KP, et al. *Neurology*. 1995;45:1268-1276. *Calculated for patients who completed at least 104 weeks on study. Notes: Switching data based on Biogen Idec market research. BETASERON is a trademark of Bayer HealthCare Pharmaceuticals Inc.; REBIF is a trademark of Ares Trading S.A.; COPAXONE is a trademark of Teva Pharmaceutical Industries Ltd.

TYSABRI® Approved in More than 40 Countries



Launched in 27 countries:

Austria	**Cyprus**	Hungary	Lithuania	Romania	**US**
Australia	Czech	**Iceland**	**Luxembourg**	**Slovakia**	
Bahrain	**Denmark**	**Ireland**	Malta	Slovenia	
Belgium	Estonia	**Israel**	**Netherlands**	**Spain**	
Brazil	**Finland**	**Italy**	New Zealand	**Sweden**	
Bulgaria	**France**	Jordan	**Norway**	**Switzerland**	
Canada	**Germany**	**Kuwait**	Poland	**Tunisia**	
Croatia	**Greece**	Latvia	**Portugal**	**UK**	

Launched countries listed in **dark blue**

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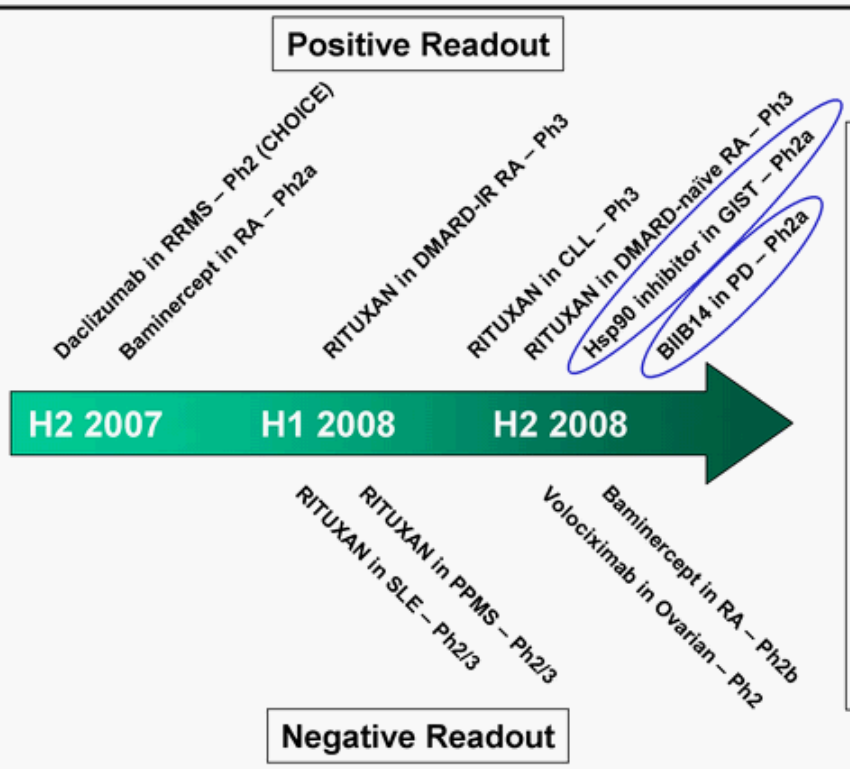
Cecil Pickett, Ph.D.
President, R&D

R&D Update

TYSABRI® PML Experience & Goals

- Working actively to identify new methods of risk assessment, detection and management
- Early detection and definitive diagnosis possible
- Available initial actions include:
  - Halting TYSABRI
  - Plasma exchange
  - Mefloquine
- 4 of 5 PML patients since 2006 re-launch alive, with varying levels of disability

Delivering Data Readouts and Decision Points



Potential Readouts 2009 & 2010

- RITUXAN in Lupus Nephritis – Ph3
- Long Acting rFactor IX in Hemophilia B – Ph1/2a
- CDP323 in RRMS – Ph2
- Daclizumab in RRMS – Ph2 (SELECT)
- Lumiliximab in CLL – Ph2 portion of Ph2/3
- Ocrelizumab in RA – Ph3

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Additional 2008 Pipeline Progress

- Initiated three proof of concept studies
  - TYSABRI in multiple myeloma
  - BG-12 in rheumatoid arthritis
  - AVONEX in ulcerative colitis
- Five programs went into the clinic and started first in human trials
  - Anti-IGF-1R in solid tumors
  - Anti-CRIPTO in solid tumors
  - Anti-TWEAK in rheumatoid arthritis
  - Long acting rFactor IX in hemophilia B
  - Hsp90 inhibitor follow on in solid tumors
- Six programs transitioned from research to development
  - Long acting rFactor VIII in hemophilia A
  - Anti-Fn14
  - LINGO
  - Anti-FcRn
  - Neublastin follow on
  - BIIB14 follow on
- Biogen Idec R&D Day upcoming on March 25, 2009

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Late Stage Programs in Registrational Trials

Program (Ph3 Trials)	Indication	Planned Ph3 Patients
BG-12 (DEFINE, CONFIRM)	*RRMS*	*~2,200*
Lumiliximab (LUCID)	*CLL*	*~900*
Galiximab (TARGET)	*NHL*	*~750*
Lixivaptan (BALANCE)	*Hyponatremia / ADHF*	*~650*
ADENTRI® (TRIDENT)	*Acute Decompensated HF*	*~900*
RITUXAN® (LUNAR)	*Lupus Nephritis*	*~150*
Ocrelizumab (STAGE, FILM, SCRPIT)	*Rheumatoid Arthritis*	*~2,400*
Ocrelizumab (BELONG)	*Lupus Nephritis*	*~350*

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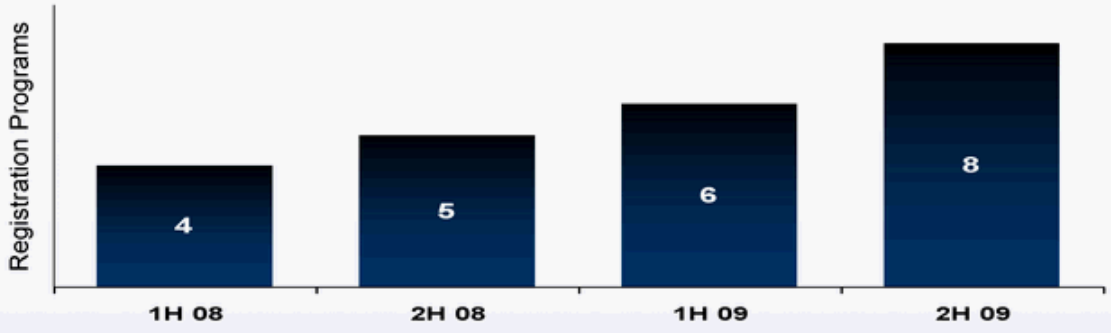
Strong Growth in Novel Registrational Programs



1H 08	2H 08	1H 09	2H 09
• BG12 MS	• BG12 MS	• BG12 MS	• BG12 MS
• Galiximab	• Galiximab	• Galiximab	• Galiximab
• Lixivaptan – Hyponatremia	• Lixivaptan – Hyponatremia	• Lixivaptan – Hyponatremia	• Lixivaptan – Hyponatremia
• Lumiliximab	• Lumiliximab	• Lumiliximab	• Lumiliximab
	• Adentri IV	• Adentri IV	• Adentri IV
		• PEG-IFN	• PEG-IFN
			• Lixivaptan – Heart Failure
			• Daclizumab

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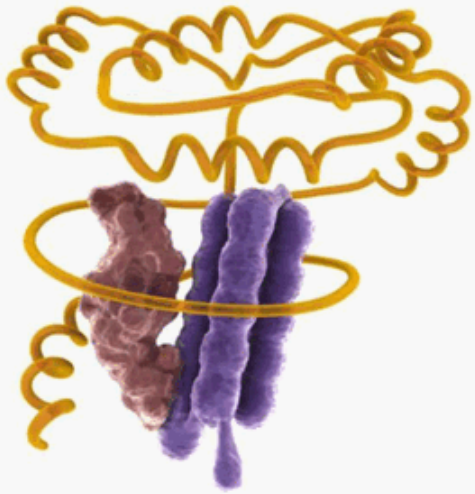
PEGylated Interferon β 1a



PEGylated Interferon Beta-1a molecule, structural representation

- PEGylated version of Interferon β-1a delivered via liquid prefilled syringe
- Modified at the N-terminal α-amino group
- Increased half-life and systemic exposure of the protein
- May improve convenience and compliance for patients with MS who use Interferons

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PEGylated Interferon β 1a Clinical Program

Clinical Data (Phase 1)

- Phase 1 tested three doses over two months
- Long-acting form has similar pharmacology to IFN β-1a
- Doses identified were well-tolerated, no new safety signals
- Presentation at 2009 AAN planned

Phase 3 Registration Study

- Plan to initiate registration program in mid 2009
- Placebo-controlled study in MS; 1260 patients
- Primary endpoint: Annualized Relapse Rate at 1 year
- To test biweekly and monthly SC dosing

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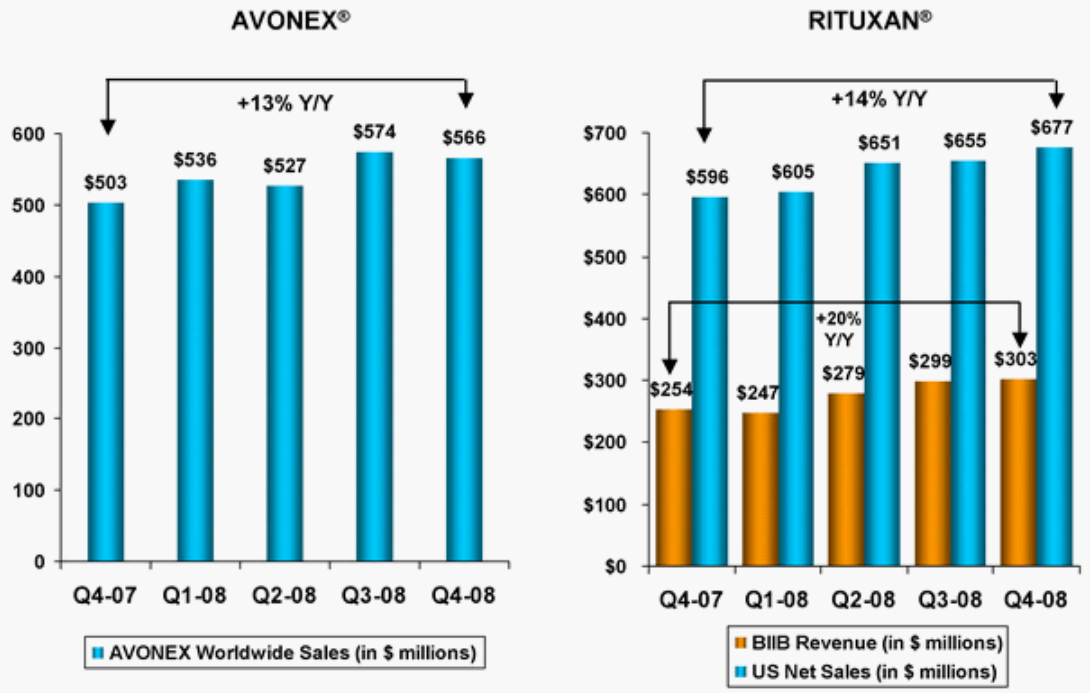
Paul Clancy
Chief Financial Officer

Financial Performance

AVONEX® & RITUXAN® Revenue Growth



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Q4 2008 Financial Worksheet

- Revenues (in $ millions)

	Q4 07	Q4 08	%Δ	2007	2008	%Δ	Notes
AVONEX® U.S. Revenues	$279	$341	*22%*	$1,085	$1,277	*18%*	
AVONEX® International Revenues	$224	$225	*1%*	$783	$926	*18%*	
Total AVONEX® Sales	$503	$566	*13%*	$1,868	$2,203	*18%*	
TYSABRI® Revenue to BIIB	$90	$156	*74%*	$230	$589	*156%*	
Total Product Sales	**$604**	**$732**	*21%*	**$2,137**	**$2,840**	*33%*	
Revenue from US Unconsolidated Joint Business [RITUXAN®]	$254	$303	*20%*	$926	$1,128	*22%*	
Revenue from Rest of World RITUXAN sales	$33	$29	*(12%)*	$102	$116	*14%*	
Total Revenue	**$893**	**$1,069**	*20%*	**$3,172**	**$4,098**	*29%*	

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Q4 2008 Financial Worksheet

- Costs and Expenses ($ millions)

	Q4 07	Q4 08	%Δ	2007	2008	%Δ	Notes
Non-GAAP Cost of Sales[1]	$88	$101	*16%*	$335	$402	*20%*	
% of Product Sales	*14.6%*	*13.8%*		*15.7%*	*14.2%*		
Non-GAAP R&D Expenses[2]	$226	$288	*28%*	$911	$1,057	*16%*	
% of Total Revenues	*25.3%*	*27.0%*		*28.7%*	*25.8%*		
Non-GAAP SG&A Expenses[3]	$188	$225	*19%*	$753	$904	*20%*	
% of Total Revenues	*21.1%*	*21.0%*		*23.7%*	*22.1%*		
Collaboration Profit (Loss) Sharing Expense [International TYSABRI®]	$14	$38	*171%*	$14	$136	*na*	

1. For Q4'07, Q4'08 and 2008 there were no adjustments between GAAP and non-GAAP COGS. For 2007 GAAP COGS expense was $335 million and 15.7% of Product Revenues, non-GAAP COGS expense excludes $0.1 million in stock option expense.
2. For Q4'07 GAAP R&D expense was $229 million and 25.7% of Total Revenues, non-GAAP R&D expense excludes $3.5 million in stock option expense. For Q4'08 GAAP R&D expense was $293 million and 27.4% of Total Revenues, non-GAAP R&D expense excludes $2.0 million in stock option expense, $1.1m in restructuring and $1.2m for Cardiokine. For 2007 GAAP R&D expense was $925 million and 29.2% of Total Revenues, non-GAAP R&D expense excludes $12.9 million in stock option expense and $1.2 million in restructuring. For 2008 GAAP R&D expense was $1.1 billion and 26.2% of Total Revenues, non-GAAP R&D expense excludes $8.5 million in stock option expense, $5.2 million for Cardiokine and $1.2 million in restructuring.
3. For Q4'07 GAAP SG&A expense was $194 million and 21.7% of Total Revenues, non-GAAP SG&A expense excludes $5.3 million in stock option expense. For Q4'08 GAAP SG&A expense was $231 million and 21.6% of Total Revenues, non-GAAP SG&A expense excludes $5.5 million in stock option expense and $0.9 million in restructuring. For 2007 GAAP SG&A expense was $776 million and 24.5% of Total Revenues, non-GAAP SG&A expense excludes $22.6 million in stock option expense and $0.6 million in restructuring. For 2008 GAAP SG&A expense was $925 million and 22.6% of Total Revenues, non-GAAP SG&A expense excludes $17.7 million in stock option expense and $3.8 million in restructuring.

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Q4 2008 Financial Worksheet

- Other Selected Financials ($ millions except EPS)

	Q4 07	Q4 08	%Δ	2007	2008	%Δ	Notes
Other income (expense), net[1]	($2)	($36)	*na*	$59	($70)	*na*	
Non-GAAP Tax Rate[2]	29.2%	28.0%		27.8%	29.3%		
Non-GAAP Net Income[3]	**$266**	**$274**	3%	**$879**	**$1,081**	23%	
Weighted average shares used in calculating diluted EPS (millions)	299.7	293.8		320.2	295.0		
Non-GAAP EPS[3]	**$0.89**	**$0.93**	4%	**$2.74**	**$3.66**	34%	

1. For Q4'07 GAAP other income (expense), net was $32.6 million, and non-GAAP other income (expense), net excludes $34.3 million related to the consolidation of Neurimmune. For Q4'08 GAAP other income (expense), net was ($34.9) million, and non-GAAP other income (expense), net excludes $1.2 million for Cardiokine . For 2007 GAAP other income (expense), net was $130.8 million, and non-GAAP other income (expense), net excludes $72.3 million related to the consolidation of Cardiokine and Neurimmune and gain on the sale of long lived assets. For 2008 GAAP other income (expense), net was ($64.7) million, and non-GAAP other income (expense), net excludes $5.2 million for Cardiokine.
2. For Q4'07 GAAP tax rate was 31.8%. For Q4'08 GAAP tax rate was 28.8%. For 2007 GAAP tax rate was 29.9%. For 2008 GAAP tax rate was 31.8%. The difference between the GAAP and non-GAAP tax rate for all periods is a result of the cumulative effects of the reconciliation that can be found on Table 3 from Biogen Idec's Q4'08 earnings press release or the end of this presentation and the footnotes to the prior slide of this presentation.
3. See Table 3 from Biogen Idec's Q4'08 earnings press release or the end of this presentation for the most directly comparable GAAP net income and diluted GAAP EPS, with a reconciliation to the non-GAAP net income and diluted non-GAAP EPS.

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Financial Guidance

Guidance for Full Year 2009

- Revenue growth is expected to be in the high single digits.
  - This includes the expected decline in the RITUXAN rest of world revenues, and the recent strengthening of the U.S. dollar.
- Operating Expenses, excluding collaboration profit share, between $2.0 to $2.1 billion.
- R&D is expected to be approximately 26-28% of total revenue.
- SG&A is expected to be approximately 19-20% of total revenue.
- Non-GAAP tax rate is expected to be between 28-30%. GAAP tax rate is expected to be between 32%-34%. The difference between the GAAP and non-GAAP tax rate is the result of the full year effects of the reconciling items detailed in Table 3 within this press release.
- Non-GAAP diluted EPS is expected to be above $4.00. GAAP diluted EPS is expected to be above $2.80.
- Capital Expenditures in the range of $210-$250 million.

Note: See Table 3 from Biogen Idec's Q4'08 earnings press release or the end of this presentation for reconciliation of our GAAP to non-GAAP guidance.

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Questions & Answers

GAAP to non-GAAP Reconciliation

Diluted EPS and Net Income: Q4 and FY 2008

TABLE 3
Biogen Idec Inc.
December 31, 2008
Condensed Consolidated Statements of Income - Non-GAAP
(in millions, except per share amounts)
(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
EARNINGS PER SHARE	**2008**	**2007**	**2008**	**2007**
GAAP earnings per share - Diluted	$ 0.70	$ 0.67	$ 2.65	$ 1.99
Adjustments to net income (as detailed below)	0.23	0.22	1.01	0.75
Non-GAAP earnings per share - Diluted	$ 0.93	$ 0.89	$ 3.66	$ 2.74
An itemized reconciliation between net income on a GAAP basis and net income on a non-GAAP basis is as follows:				
GAAP net income	$ 206.7	$ 201.2	$ 783.2	$ 638.2
Adjustments:				
COGS: Stock Option Expense	-	-	-	0.1
R&D: Restructuring	1.1	-	1.2	1.2
R&D: Stock option expense	2.0	3.5	8.5	11.9
R&D: Expenses paid by Cardiokine	1.2	-	5.2	-
SG&A: Restructuring	0.9	-	3.8	0.6
SG&A: Stock option expense	3.3	3.3	17.7	22.6
Amortization of acquired intangible assets	90.6	70.9	332.7	237.5
In-process research and development related to the contingent consideration payment in 2008 associated with the 2006 Conforma acquisition, and the 2007 acquisition of Syntonix and consolidation of Cardiokine and Neurimmune	-	35.8	25.0	84.2
Gain on sale of long lived assets	(9.2)	(0.4)	(9.2)	(0.4)
Other income (expense), net: Expenses paid by Cardiokine in 2008, consolidation of Cardiokine and Neurimmune in 2007	(1.2)	(34.3)	(7.2)	(72.3)
Income taxes: Income tax effect of above reconciling items	(23.3)	(34.0)	(81.9)	(65.5)
Non-GAAP net income	$ 274.3	$ 266.0	$ 1,081.9	$ 879.1

2009 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:

		Shares	Diluted EPS
Projected GAAP net income	**$ 820.6**	**292.6**	**$ 2.80**
Adjustments:			
In-process research and development	40.0		
Stock option expense	29.3		
Amortization of acquired intangible assets	337.1		
Other items	4.0		
Income taxes: Income tax effect of reconciling items	(81.7)		
Projected Non-GAAP net income	**$ 1,149.3**	**292.6**	**$ 4.00**

Use of Non-GAAP Financial Measures
Our "non-GAAP net income" and "non-GAAP diluted EPS" financial measures exclude the following items from GAAP net income and diluted EPS:

1. Purchase accounting and merger-related adjustments.
We exclude certain purchase accounting impacts, such as those related to the 2003 merger between Biogen, Inc. and Idec Pharmaceuticals, Inc., the acquisitions of Fumapharm AG, Conforma Therapeutics and Syntonix Pharmaceuticals, and the consolidation of Cardiokine and Neurimmune. These include charges for in-process research and development and the incremental charges related to the amortization of the acquired intangible assets. Excluding these charges provides management and investors with a supplemental measure of performance in which the Company's acquired intellectual property is treated in a comparable manner to its internally developed intellectual property.

2. Stock option expense recorded in accordance with SFAS 123R.
We believe that excluding the impact of expensing stock options better reflects the recurring economic characteristics of our business. We also exclude stock option expense from our non-GAAP R&D expenses and SG&A expenses, but include P&L impact of restricted stock awards and cash incentives in our non-GAAP results.

3. Unusual or non-recurring items.
We evaluate these 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 believe it is important to share these non-GAAP financial measures with shareholders as they better represent the ongoing economics of the business, reflect how we manage the business internally and set operational goals, and form the basis of our management incentive programs. Non-GAAP net income and diluted EPS should not be viewed in isolation or as a substitute for reported, or GAAP, net income and diluted EPS.

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GAAP to non-GAAP Reconciliation

Diluted EPS and Net Income: Five Year History

Condensed Consolidated Statements of Income – Operating Basis	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
GAAP diluted EPS	**0.07**	**0.47**	**0.63**	**1.99**	**2.65**
Adjustment to net income (see below)	1.38	1.10	1.62	0.75	1.01
Effect of FAS128 and EITF 03-06	(0.05)	-	-	-	-
Non-GAAP diluted EPS	**1.40**	**1.57**	**2.25**	**2.74**	**3.66**
GAAP Net Income ($M)	**25.1**	**160.7**	**217.5**	**638.2**	**783.2**
COGS – Fair value step up of inventory acquired from Biogen and Fumapharm	295.5	34.2	7.8	-	-
COGS – Amevive divesture	-	36.4	-	-	-
R&D – 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 – Merger related and purchase accounting costs	-	-	0.1	-	-
SG&A – Restructuring	9.3	19.3	2.0	0.6	3.8
Amortization of intangible assets primarily related to Biogen merger	347.7	302.3	267.0	257.5	332.7
In-process R&D related to acquisitions of Conforma, Syntonix, and Fumapharm, and consolidation of Cardiokine, Neurimmune and Escoubloc	-	-	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: Expenses incurred by Cardiokine, consolidation of Cardiokine and Neurimmune and gain on sale of long lived assets	-	-	-	(72.3)	(5.2)
Write down of investments	12.7	-	-	-	-
Income taxes – Effect of reconciling items	(195.4)	(145.2)	(70.3)	(65.5)	(81.9)
Stock option expense	-	-	44.5	35.6	26.2
Non-GAAP Net Income	**498.0**	**541.7**	**776.8**	**879.1**	**1,081.0**

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 and non-GAAP diluted EPS should not be viewed in isolation or as a substitute for reported, or GAAP, net income 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.

Source: Biogen Idec Annual Reports, 10-K filings and earnings press releases (FY 2004-2008).

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