

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:
 - (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:
 - (5) Total fee paid:
 - 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.:
 - (3) Filing Party:
 - (4) Date Filed:
-



**Biogen Idec
Response to Icahn Proposal**

Spring 2009

biogen ideo

Forward Looking and Proxy Solicitation Statements

- This presentation includes forward looking statements about the cross therapeutic opportunities for our products and the consequences of a breakup at Biogen Idec
- 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 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.

Icahn's Proposal Is Another Attempt To Pursue His Goal to Sell The Company

Icahn Biogen Idec Investor Presentation

Board should evaluate whether separating assets will enhance value

Neurology-Focused Company	Cancer-Focused Company
<ul style="list-style-type: none">• NF Co. had \$2,926M of 2008 sales• NF Co. assets include the following:<ul style="list-style-type: none">- Key products include AVONEX and TYSABRI- Related pipeline such as BG-12, Lixteptin, ACENTRI and other neurology and cardiovascular product candidates- Biologics manufacturing plants in North Carolina, Massachusetts and Denmark- Majority of existing research & development infrastructure and sales force- Collaboration with Elan on TYSABRI• NF Co. will benefit from improved focus on core neurology competency	<ul style="list-style-type: none">• CF Co. had \$1,172M of 2008 sales• CF Co. assets include the following:<ul style="list-style-type: none">- Key products include RITUXAN and FUMADERM- Related pipeline such as galixibam, laniximab, ocrelizumab and other oncology and autoimmune product candidates- Collaboration with Genentech in the US, Zomya and Chuga in Japan and Roche in the rest of the world• CF Co. will benefit from improved focus on core oncology competency

Separating Biogen assets will enhance shareholder value as management focus should improve and disparate assets appeal to different buyers

- What does his plan do to truly enhance shareholder value?
- How would he operationalize the separation?
 - Icahn's plan would require the creation of complicated and potentially burdensome bilateral agreements between the two companies
- How will he reduce overhead spending, as he suggests, while creating two separate companies, sets of infrastructure, etc.?
- How will he drive future growth?

Breaking up Biogen Idec in order to facilitate a sale is not, in itself, a business strategy

Icahn's Proposal Would Destroy Shareholder Value on Multiple Fronts

- ❶ Icahn's proposed breakup will not make the company a more attractive acquisition candidate
- ❷ It creates significant operational inefficiencies
- ❸ It will impose meaningful direct and indirect costs on the organization, including potentially significant tax leakage
- ❹ It eliminates cross therapeutic opportunities
- ❺ It undermines the Company's strategic focus
- ❻ It fails to unlock "trapped value"



A Breakup Will Not Facilitate a Sale of All or Part of the Company

“Separating Biogen assets will enhance shareholder value as management focus should improve and disparate assets appeal to buyers” - Icahn Presentation, May 11 2009

Biogen Idec's Approach Today

- We are open to any credible acquisition proposals
 - We unilaterally waived standstill agreements with participants in the 2007 sale process
 - We terminated our “poison pill”
- A breakup is not required to attract suitors, as potential buyers can always seek to acquire specific assets if desired.
- Biogen Idec is a valuable fully-integrated biopharmaceutical company with;
 - World-class biologics manufacturing
 - Robust Pipeline
 - Core Discovery Research Platform
 - Global Commercial Infrastructure

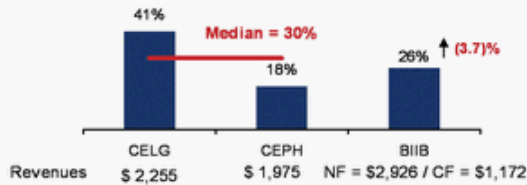
Issues with Icahn's Proposal

- Likely only 1 buyer for Cancer Focused Co. so unlikely to get a takeout premium
- Having a perpetual “for sale” sign is detrimental to employee morale, recruiting senior staff and business development opportunities
- Could incur significant tax leakage in a sale scenario if either company sold in near term
- Many R&D collaboration agreements likely not to be transferable

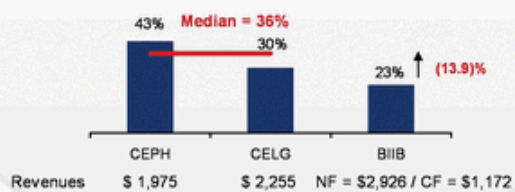
2

A Breakup Would Create Significant Operational Inefficiencies

R&D as a % of Sales Could Increase by ~4%



SG&A as a % of Sales Could Increase by ~14%



- Nullifies scale advantages;
 - Ability to compete for business development opportunities
 - Global Clinical Operations infrastructure
 - Global commercial capabilities
 - Protein design and process development
 - Large molecule manufacturing capability
- Creates cost structure similar to companies focused on one therapeutic area such as Celgene and Cephalon

Strategy is inconsistent with Board's commitment to cost containment

3

A Breakup Would Incur Meaningful Direct and Indirect Financial Costs

Operations

- Increases redundant efforts among many divisions of the business (HR, Administrative, Legal, Finance, Business Development, etc.)
 - Effectively eliminates synergies realized after the 2003 merger

Access to Capital

- Potential credit rating downgrade – potential impact on cost of capital
 - Each individual company will have greater product concentration and reduced cash flows
- Smaller resulting companies would have less access to credit markets and cost of debt would increase

4

A Breakup Would Eliminate Cross Therapeutic Opportunities

Our core science / biology has application across a broad range of therapeutic areas

	Neurology	Oncology	Immunology
TYSABRI (natalizumab)	✓	✓	✓
Rituxan Rituximab	✓	✓	✓
AVONEX (interferon beta-1a)	✓		✓
BG-12	✓		✓
HSP90	✓	✓	

Limited strategic logic for Break-Up

Note: Rituxan includes Ocrelizumab

biogen idec

5

Product Diversity is Key for Large Cap Biotechnology Companies

Several of our peers that Icahn compares us to in his filing are multi-therapy and multi-product companies:

	Biogen	Amgen	Celgene	Genentech	Genzyme	Gilead
Therapeutic Areas	Oncology Neurology	Hematology Inflammation Immunology	Oncology	Oncology Immunology Tissue Repair	Genetics Oncology Renal Biosurgery	Immunology Cardiovascular Respiratory Liver Disease
Lead Products	Rituxan Avonex Tysabri	Neupogen Epogen Aranesp Enbrel Neulasta	Revlimid Thalomid Vidaza	Avastin Herceptin Rituxan Tarceva Xolair Lucentis	Cerezyme Fabrazyme Renagel	Truvada Atripla Viread

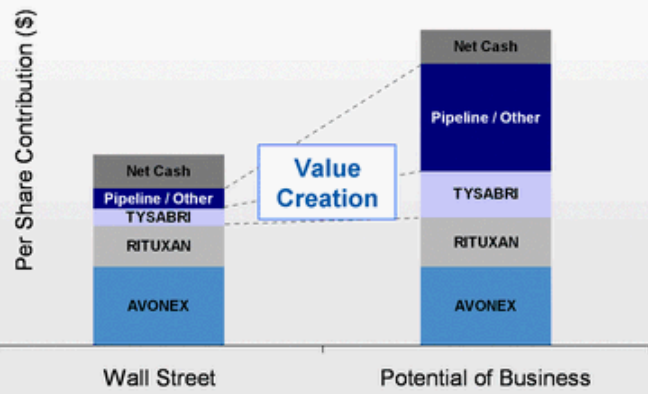
Strategy is to follow the science to areas of high unmet medical need into specialty markets

6

A Breakup Does Nothing to Unlock Trapped Value

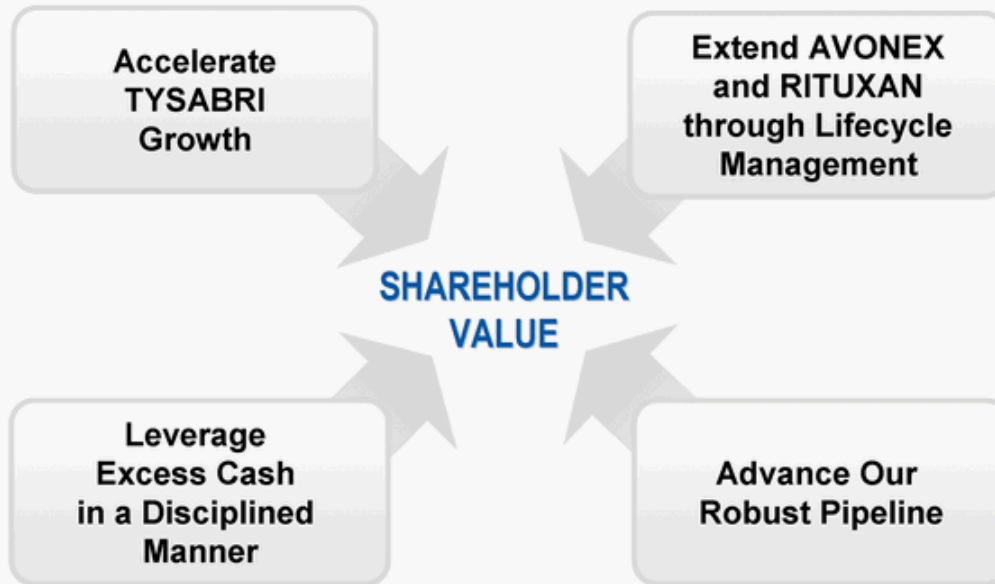
- Biogen Idec is a pure model: specialty biopharmaceutical
 - Our research touches multiple therapeutic areas scientists collaborate across them
 - Benefit from significant product technology synergies
- Splitting the company will neither drive cost savings nor fuel growth
- Shareholder value can be created by:
 - Accelerating TYSABRI growth;
 - Extending our Core Products;
 - Advancing our pipeline and;
 - Leveraging our cash balance

Illustrative Valuation by Parts



The way to unlock value is to execute on our plan

Drivers of Shareholder Value



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
GAAP diluted EPS	(4.92)	0.07	0.47	0.63	1.99	2.65
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 EITF 0306	-	(0.05)	-	-	-	-
Non-GAAP diluted EPS	1.22	1.40	1.57	2.25	2.74	3.66
GAAP Net Income Attributable to Biogen Idec Inc. (\$M)	(875.1)	25.1	160.7	217.5	638.2	783.2
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)
Non-GAAP Net Income Attributable to Biogen Idec Inc.	431.7	499.0	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 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
Free Cash Flow	367.0	571.1	643.0	736.5	1,288.5

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

biogen idec