

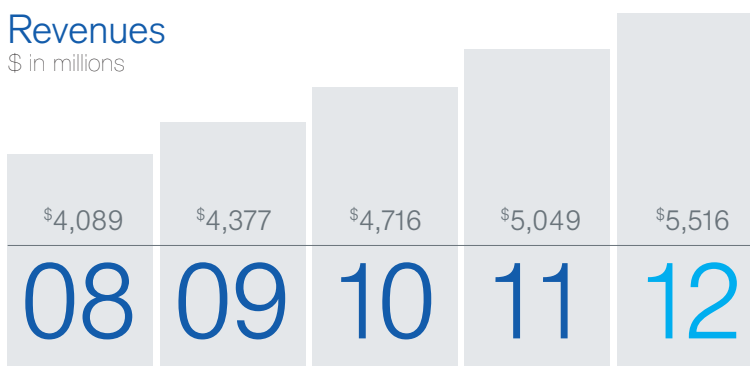
✦ **LISA SINDONI**  
Mother, Dog Lover, Inspiration

A Company Aligned.  
A Mission Defined.



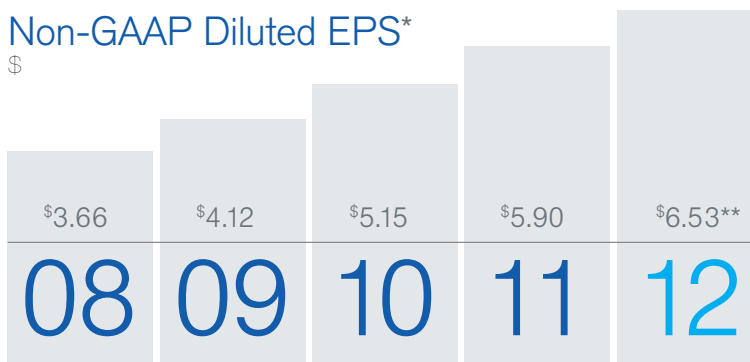
## Revenues

\$ in millions



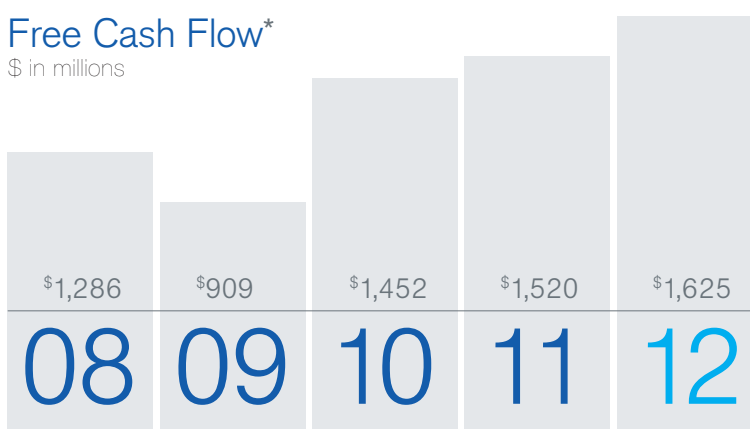
## Non-GAAP Diluted EPS\*

\$



## Free Cash Flow\*

\$ in millions



\*Non-GAAP diluted EPS and free cash flow are non-GAAP financial measures. A reconciliation of GAAP to non-GAAP diluted EPS and free cash flow amounts are set forth on pages 14 and 15 of this annual report.

\*\*2012 Non-GAAP diluted EPS was impacted by a tax correction which increased tax expense by \$29 million and reduced EPS by approximately 12 cents





GEORGE A. SCANGOS, PH.D. | Chief Executive Officer

## Dear Fellow Shareholders:



For everyone who counts on Biogen Idec, 2012 was an extraordinary year – a period of significant transformation and remarkable accomplishments across the organization.

Since our last annual report, Biogen Idec has matured as a vibrant organization.

Our core business has grown, we are preparing for several potential product launches in the near future, and we have made real progress in enhancing our early stage research and development (R&D) pipeline.



Since the beginning of 2012, we reported results from five pivotal clinical trials – four of which met their endpoints, and all of which were scientifically valuable.

We substantially improved our R&D platform while developing a new approach to the way in which innovation is generated and nurtured in the biopharmaceutical sector. We have strengthened our production capabilities and continued our internal cultural transformation.

Today we are fully aligned behind a crisply defined mission and business strategy.

As we enter Biogen Idec's 35th year, we have positioned our company squarely at the intersection of science, medicine and economics.

Our goal is to discover, develop and deliver new therapeutics that lead to a meaningful improvement in the lives of patients, and to demonstrate the real-world economic impact of those therapies in order to gain appropriate reimbursement from payors around the world. In so doing, we will define our future.

**Our efforts in 2012 generated strong financial results. Revenue for the year was \$5.5 billion, a 9 percent increase over 2011, and we enjoyed growth in both EPS and free cash flow.**

Biogen Idec delivered real rewards to you, our shareholders, and entered 2013 on solid financial footing with significant momentum.

## Advancing Commercial Success

Biogen Idec's leadership in multiple sclerosis (MS) treatment continues to be the foundation of our commercial strength; in 2012 this core franchise performed exceptionally well, delivering full-year revenue growth of 9 percent over 2011.

AVONEX<sup>®</sup>, one of the most prescribed treatments for relapsing forms of multiple sclerosis worldwide, gained global market share within the class of injectable front-line therapies, thanks to strong commercial execution and the introduction of two improvements: the AVONEX PEN<sup>®</sup> auto-injector, and the AVOSTARTGRIP<sup>®</sup> titration kit, which helps reduce the frequency and severity of flu-like symptoms. For the first time in many years, there were more patients taking AVONEX at the end of the year than at the beginning of the year.

We also made considerable investments in TYSABRI<sup>®</sup>, our highly effective treatment for relapsing forms of multiple sclerosis. In January 2012, the U.S. Food and Drug Administration (FDA) approved a product label change that identifies anti-JCV antibody status as a risk factor for developing an infrequent but serious brain infection known as progressive multifocal leukoencephalopathy (PML). This label change was the foundation of our application to the FDA and European Medicines Agency (EMA) in early 2013 requesting updates to the TYSABRI label for an expanded indication that would include first-line use in patients who test negative for JC virus antibodies. It is our hope that TYSABRI will be approved for this patient population. We continue to conduct research, both internal and external, intended to identify further risk-stratification tools.

Also last year, we began a global Phase 3b study, ASCEND, to evaluate the effectiveness of TYSABRI as a treatment for secondary progressive multiple sclerosis (SPMS).

Approximately 35 percent of MS patients have the secondary progressive form of the disease, and currently there is no effective therapy to treat them. Preliminary data from small observational studies suggest that TYSABRI may provide a benefit to these patients, and we are testing that hypothesis in the ASCEND trial.



In February 2013, we reached an agreement with our partner Elan to acquire full ownership of TYSABRI. This transaction, which closed in April 2013, is a pivotal event in our stewardship of TYSABRI that began even before launch in 2004. This acquisition provides us with a greater share of TYSABRI profits, operational and strategic control, and eliminates the change of control provision that was part of the original agreement. We believe full ownership also improves our ability to optimally position TYSABRI within our MS portfolio.

## From Pipeline to Patients

The excellent performance of our marketed products portfolio was mirrored by the success of our R&D and regulatory organizations. 2012 was a year of significant achievements, spanning the entire pipeline, from early research to clinical support for marketed therapies.

I'll start with our most recent accomplishment: TECFIDERA™ (dimethyl fumarate), a new first-line oral treatment for people with relapsing forms of multiple sclerosis, including relapsing-remitting multiple sclerosis (RRMS), which is the most common form of this disease. In March 2013, the FDA approved TECFIDERA, and the Committee for Medicinal Products for Human Use issued a positive opinion recommending a marketing authorization be granted for TECFIDERA in the European Union.

Results of our Phase 3 DEFINE and CONFIRM studies – which form the foundation for TECFIDERA's regulatory filings around the world – were published in *The New England Journal of Medicine* in September, 2012.

Additionally, in March 2013, the U.S. Patent and Trademark Office issued us a patent for the TECFIDERA dosing regimen of 480 mg daily. This patent, which expires in 2028, adds to our growing portfolio of patents covering TECFIDERA, which includes patents claiming formulations of its active ingredient, dimethyl fumarate, to treat multiple sclerosis and methods for treating multiple sclerosis using dimethyl fumarate. Those patents will expire in 2019 and 2020, respectively, but could be eligible for additional extension.

In Europe, the European Patent Office determined that our application for a patent covering the same 480 mg daily dosing regimen of TECFIDERA is allowable. Once granted, this patent will also expire in 2028. The European Patent Office has already issued a patent that covers the TECFIDERA formulation and the method of treating MS and other autoimmune diseases. This patent will expire in 2019 but may be eligible for term extensions in some countries.

TECFIDERA offers the MS community a treatment with strong efficacy and a favorable safety profile in the convenience of a pill – a combination we believe will have a significant, positive impact on the way people live with this chronic disease. TECFIDERA raises expectations for what patients can achieve with their therapy, and Biogen Idec is committed to setting a new standard for the next generation of medicines.

We also continued to advance our late-stage development program for PLEGRIDY™ (peginterferon beta-1a) for the treatment of relapsing forms of MS. We reported positive top-line data from the Phase 3 registrational study in January 2013, and expect to file our Biologics License Application (BLA) with the FDA in mid-2013. If approved, PLEGRIDY is expected to represent an innovation that offers patients solid efficacy, with a dosing schedule that compares favorably to the more frequent injection schedules with other drugs in the injectable class of treatment. We believe that convenience will be an increasingly important differentiator in this segment of the MS market, and that the less frequent dosing schedule of PLEGRIDY, with a convenient auto-injector, will allow us to capture an increasing share of this market segment.

We also advanced daclizumab high-yield process (DAC HYP), an investigational, once-monthly subcutaneous therapy in the treatment of RRMS. We reported data from our Phase 2b SELECT trial at the American Academy of Neurology in April 2012 and the full data set was recently published in an online article in *The Lancet*. In addition, we fully enrolled our Phase 3 DECIDE registrational clinical trial in mid-2012. We expect a read-out from this trial in 2014.



As we intensify our commitment to MS, we are leading what we believe will be a transformation in the standard of care in hemophilia. In 2012, we reported positive clinical data from Phase 3 trials for long-lasting recombinant factor VIII Fc fusion protein (rFVIII Fc) for the treatment of hemophilia A and long-lasting recombinant factor IX Fc fusion protein (rFIX Fc) for the treatment of hemophilia B.

These two therapies, the first true innovations in hemophilia in two decades, have the potential to change the way people with hemophilia think about treatment – reducing the burden of treatment and improving long-term health outcomes at the same time. As of this writing, the FDA has accepted our BLA for marketing approval of rFIX Fc, and we have submitted a BLA for rFVIII Fc. We anticipate launches for both therapies over the next 12 months.

## Early-stage Pipeline

Biogen Idec advanced its early-stage pipeline in 2012 through identification and validation of new targets, discovery of first-in-class drug candidates, and business development agreements. We moved several compounds into Phase 1 and 2 clinical trials in neurodegenerative and immunological diseases. MS, Alzheimer's disease, neuropathic pain, and lupus nephritis were among the diseases targeted in these studies, which include:

- A Phase 2a study of our anti-LINGO molecule in acute optic neuritis. We expect to initiate a second Phase 2 trial of anti-LINGO in relapsing MS during the second half of 2013.
- A Phase 2b study of anti-TWEAK, our monoclonal antibody in lupus nephritis.
- A Phase 1b clinical trial for BIII B037, our first clinical study in Alzheimer's disease.
- A Phase 2a study of STX-100 in patients with idiopathic pulmonary fibrosis.

We expect to initiate a Phase 2 study of neublentin for neuropathic pain in the coming months.

In addition to these milestones, Biogen Idec signed three development agreements with Isis Pharmaceuticals (Isis), a leader in antisense, or RNA-targeted, drug discovery and development. Through these agreements we will:

- Jointly develop and commercialize Isis' antisense investigational drug, Isis-SMNRx, for the treatment of spinal muscular atrophy (SMA) in children. Isis reported full data from a Phase 1b clinical trial at the American Academy of Neurology meeting in March 2013;
- Collaborate to develop and commercialize a novel antisense drug for the treatment of myotonic dystrophy type 1 (DM1), the most common form of muscular dystrophy in adults; and
- Combine our resources to discover and develop antisense drugs against three undisclosed targets to treat neurological or neuromuscular disorders.

Our relationship with Isis reflects our respect for them as a partner. By combining Isis' knowledge of antisense science with Biogen Idec's leadership in neurology, we believe these collaborations hold great potential for discovery and development of innovative approaches to treating neurological diseases.

In 2012, our organization continued to build world-class science focused on some of the most heart-rending medical issues facing individuals. Our alignment and focus allow us to continually innovate and take on very complex patient challenges and push into disease areas where little or no therapy is currently available.

This commitment to stellar biomedical research in the interest of serving people is reflected in our only clinically unsuccessful project of 2012. In January 2013, we discontinued development of dexpramipexole, a compound that was being tested in people with amyotrophic lateral sclerosis (ALS). Dexpramipexole failed to meet any endpoints in a pivotal Phase 3 trial, either in the general study population or in multiple subpopulations.



➤ **Mother, Dog Lover, Inspiration**

# Meet Lisa Sindoni

In 2007, Lisa Sindoni went to the ER with left-sided weakness, difficulty finding words, and issues with hand-eye coordination. After several tests and opinions, doctors diagnosed Lisa with relapsing-remitting multiple sclerosis and recommended immediate treatment.

Today, Lisa still mourns her lost abilities, but she has learned how to develop other abilities. With TYSABRI® on her side, Lisa engages in daily crosswords, Sudoku, and reading to help challenge her brain and coordination. When she can, she adds physical activity to her routine, including going to the gym, and doing yoga, Pilates, and ballet workouts via DVD.

*MS ActiveSource® Mentors have chosen to share their stories with other people living with MS.*

*Each of these stories reflects the personal experiences of one person, and stories are not intended to imply any therapeutic benefit, results or experiences with Biogen Idec products.*

**“The greatest lesson I learned from my diagnosis, and am constantly reinforcing, is that I have to think about what’s best for me. I spent my entire life taking care of others, both personally and professionally. I didn’t know how to take care of me.”**

Lisa gives back to others as a mentor in the Biogen Idec ActiveVoices™ (msactivesource.com) program, a mentoring program in which a newly-diagnosed patient is teamed with a “veteran” multiple sclerosis patient for support and assistance.





While this was terribly disappointing to everyone dedicated to helping the ALS community, we believe the dexamipexole trial represents a significant contribution to ALS research. One of the most comprehensive ALS studies ever conducted, the EMPOWER trial created a robust clinical database that we expect will provide an important contribution to future research and also established a novel endpoint for ALS that combines function and survival.

Through EMPOWER, we developed criteria for early diagnosis and disease progression of ALS; we better characterized its epidemiology, medical co-morbidities and natural history; and we quantified the impact of treatment based on changes in function. These innovations enabled us to contribute to an EMA white paper for ALS clinical development.

**Biogen Idec remains committed to advancing ALS science, and we are working with researchers around the world to further understand the disease.**

## A Passion for Innovation

In 2012, we established a research collaboration with Duke University and HudsonAlpha Institute for Biotechnology to sequence the genomes of up to 1,000 people with ALS over the next five years. This ambitious undertaking may lead to important new insights into the genetic causes of ALS.

Additionally, just before the end of 2012, we announced the formation of a consortium in collaboration with several leading academic research centers to identify new approaches to treating ALS.

The consortium, which includes some of the most renowned neuroscientists and ALS scientists in the world, is led by our chief scientific officer, Spyros Artavanis-Tsakonas, who joined Biogen Idec during 2012 from his position as professor of cell biology at Harvard University. This research consortium is an innovative way for Biogen Idec to interact with world-class academic researchers to pursue a common goal of finding treatments for difficult-to-treat diseases. Diseases like ALS are complicated and it has proven very challenging to find treatments.

By combining our expertise with that of leading academic researchers, and assembling a complementary group of researchers, we hope to be able to make progress in defining the causes of ALS and ultimately in developing novel therapeutics to treat the disease.

We have embraced academic collaborations as a part of our strategy to maintain a vibrant and innovative research organization and better understand the underlying biology of disease.

Our research agreement with Harvard Medical School to produce the first large-scale map of the human interactome is an excellent example of that strategy.

This initiative is expected to provide an in-depth portrait of how proteins in the human body communicate and interact with each other, and promises to yield a wealth of new targets for potential therapies.

With our partners in the hemophilia community, we created an initiative, My Life, Our Future: Genotyping for Progress in Hemophilia, to help uncover genetic information that can be used by physicians to individualize the care of people with hemophilia, as well as generate data that may lead to new scientific discoveries. This initiative fits perfectly with our mission because it offers knowledge to patients, their families, healthcare providers and researchers that can improve care and advance science.

## Preparing for Long-term Growth

As I wrote to you in our 2011 annual report, the environment for biomedical innovation, patient care and the provision of health services remains in a period of dramatic change. We are undertaking several initiatives to help position us strongly in the evolving environment.

We continue to navigate the challenging fiscal environment in major markets around the globe. Like others in the industry, in Europe we are wrestling with the realities of continuing economic pressures. Nations under severe financial stress have taken measures that threaten healthcare and innovation.





➤ Student, Camp Counselor, Volunteer

# Meet Jetty Sapinoso

2012 BIOGEN IDEC HEMOPHILIA SCHOLARSHIP WINNER

[biogenidechemophilia.com](http://biogenidechemophilia.com)



Jetty is on a career path to become a dental hygienist – a natural choice considering that he’s always looking for opportunities to make people smile. According to Jetty, “Everybody has the ability to lend a helping hand. If people lived their lives doing one good deed a day, the world would be a better place.”

Jetty has extended his hand to help the younger generation with hemophilia. He was once a camp counselor for the Hemophilia Foundation of San Diego and let the campers practice their vein-finding skills on him. Now, he wants to share his passion for healthy living with the younger generation to reinforce the importance of regular physical activity.

**“Parents are scared for their children to have bleeds. I want to promote being active without going overboard, so kids can build muscle.”**

Always looking to help others in need, Jetty tries to find time to volunteer during his busy days that usually include working, exercising, and restoring cars to bring to the racetrack.

*Each of these stories reflects the personal experiences of one person, and stories are not intended to imply any therapeutic benefit, results or experiences with Biogen Idec products.*



Even countries with healthier economies present a changing landscape for health technology assessments, particularly in key markets like Germany and the U.K. Despite these complexities, we have continued to be successful and grow our operations throughout Europe, and believe that we are well-poised to continue to do so.

In the United States, we are preparing for the implementation of the Affordable Care Act and the changes it will bring to the healthcare landscape. We are also investigating the opportunities presented by the Food and Drug Administration Safety and Innovation Act (FDASIA), with the enhancement of the accelerated approval mechanism and the creation of the breakthrough therapy designation.

Our R&D group has targeted medical problems that are difficult but that we believe are not intractable – and where our expertise can make a meaningful difference for patients. To support these efforts, we are building world-class capabilities in market access, health economics, and research and development to enhance scientific and real-world understanding of the diseases we seek to treat, with a goal of improving pipeline decisions and patient outcomes.

**Our mission is to discover and develop drugs that provide real value to patients and payors, and to generate the economic and outcomes data to support our value proposition.**

In the global marketplace, we are supplementing our core commercial operations in the U.S. and Europe with a robust strategy for entering emerging markets based on local needs and our ability to meet them. In the coming years, we expect to enter new and emerging markets through a strategy of “smart growth”: optimizing immediate opportunities while mitigating risks through a combination of distributor networks and direct investment, and staging expansion to participate appropriately now – while positioning ourselves to capture long-term potential.


Our Pharmaceutical Operations and Technology (PO&T) organization is enhancing its already strong capabilities to focus on strategies to improve production efficiency, strengthen supply chains and enable quality-of-life improvements to Biogen Idec therapies – such as improved dosing, user-friendly packaging and delivery systems that offer meaningful benefits to patients. Here are a few examples of these efforts:

- We formalized our joint venture with Samsung, creating Samsung Bioepis. This joint venture leverages our expertise and capabilities in protein engineering, cell line development and recombinant biologics manufacturing to position the company to participate in the emerging market for biosimilars.
- We completed construction on our Hillerød, Denmark, international manufacturing site and completed the FDA validation process for TYSABRI production in 2012. We expect to receive licensing to manufacture in 2013. Once licensed, this facility will perform large-scale manufacturing, packaging, labeling and quality control and assurance for products sold outside the U.S.
- We opened a new facility in Research Triangle Park, North Carolina, which unites on one site more than 1,000 Biogen Idec employees dedicated to patient care – from manufacturing high quality therapies to providing patient services, including financial assistance where necessary.
- We created a strategic alliance with Eisai, Inc., to bolster our manufacturing capabilities in Research Triangle Park, North Carolina. This alliance expands our expertise in small and large molecule production and creates an additional manufacturing facility for TECFIDERA production. The agreement also provides us with the option to purchase the Eisai facility in the future.



 **Father, Mechanic, Patient Advocate**

## Meet Willie Martin



Willie was diagnosed with multiple sclerosis in March 2008. His first symptoms included slurred speech, an inability to finish sentences, lack of balance when walking, blurred vision, and feeling anxious. His symptoms progressed quickly over a few days. After diagnosis, he chose to begin his therapy with AVONEX<sup>®</sup> because of the convenient once-a-week dosing schedule.

Willie works as a machinist and enjoys drag racing. He is a crew member, builds cars, races every other weekend, and attends all-day events and car shows. He is also a volunteer and a patient advocate so he can help other people living with MS.

**“Life matured me so I can deal with problems and continue living. I have something to offer others, and I hope my experiences can help others in their journey living with multiple sclerosis.”**

*MS ActiveSource<sup>®</sup> Mentors have chosen to share their stories with other people living with MS.*

*Each of these stories reflects the personal experiences of one person, and stories are not intended to imply any therapeutic benefit, results or experiences with Biogen Idec products.*



## Our Responsibility as a Global Citizen

As Biogen Idec grows, we continue to invest deeply and strengthen our partnerships and support the communities in which we operate. We reinvigorated and restructured The Biogen Idec Foundation to ensure that our philanthropic efforts keep pace with our corporate growth. The result is that our foundation made a stronger impact on our communities through significant programs. Biogen Idec made the following contributions through both foundation and corporate initiatives in 2012:

- A \$100,000 grant to Teach for America programs in Massachusetts and Eastern North Carolina in support of Science, Technology, Engineering, and Math (STEM) education.
- A commitment of significant funds to the University of Massachusetts Medical School ALS Champion Fund to increase awareness of ALS and support basic and clinical science research into potential treatments for ALS and other neurodegenerative diseases.
- A renewed pledge of employee volunteerism and diversity through our Care Deeply Volunteer Day, designed to encourage Biogen Idec employees to give back to their local communities. From Zug, Switzerland, to Greater Boston, Care Deeply Volunteer Day annually draws over 1,100 employees to assist more than 40 nonprofit projects, logging some 3,500 hours.

We also remain focused in support for education and public policy engagement to address the future of biomedical science at fundamental levels:

- Through support for organizations such as the Museum of Science in Boston, the Museum of Life and Science in Durham, North Carolina, and the KinderUniversität Zurich, we have developed partnerships with organizations that inspire young people to gain an interest in science careers.

- Our Community Lab facilitates the engagement of students in middle school and high school, to introduce scientific methods and experience hands-on, real-world science at our research facility. Our Cambridge, Massachusetts lab is considered the gold standard and in 2012 celebrated 10 years of providing hands-on learning opportunities.
- Our support of Room to Read has resulted in the building of two libraries and a school in Sri Lanka as well as the publication of a book in the local language of Nepal. By helping children become life-long learners with access to quality education, we believe we can pique their interest in science and innovation.
- We underwrite organizations, such as the Biomedical Science Careers Program, which enables high-potential minority undergraduate and graduate students to complete their academic work and enter the science-based workforce.
- We foster basic research at the highest intellectual levels through academic collaborations, partnerships, and programs such as the ALS Consortium noted above.
- And we participate in the public discourse about the future of innovation. In fact, I am proud to note that Doug Williams, our R&D leader, and I had the privilege of providing input to the President's Council of Advisors on Science and Technology, better known in public policy circles as PCAST – and Doug served as a formal member of the Council's PCAST Drug Innovation Invited Experts. This year, Biogen Idec is one of three corporate supporters of the FDA-Aspen Institute initiative, National Strategy for Biomedical Innovations, which will integrate academia, industry and government to align scientific policy and priorities with society's health needs.

**Individually these efforts are noteworthy but not unusual for a successful organization. Taken collectively, though, they represent an important investment in human capital and in the legacy that the current leadership of Biogen Idec will leave to future generations.**



## A Company Aligned. A Mission Defined.



At the beginning of 2013, we find ourselves with great opportunity and a clear mission. Our opportunity is based on a foundation driven by and rooted in great science, our focus on treatments that are enabling a better quality of life for patients challenged by some of the most difficult medical conditions, and a global organization that is fully aligned around our mission to clearly pursue opportunities within focused therapeutic areas. We are an organization that is wholly committed to attracting the best talent and the best leaders, while effectively responding to evolving regulatory and economic realities so we can work to deliver treatments to patients around the world in the most efficient way possible.

Biogen Idec has come off a solid year of revenue growth and profitability, while advancing our late-stage pipeline and investing in upcoming product launches.

We have kept our promises.

But we know we have a lot of work to do to meet the opportunity that stands before us.

With the foundation we have built, we are well-prepared for the leadership challenges ahead: attend to today's business while preparing for tomorrow, and pursue a vision where Biogen Idec invests enthusiastically to prolong and improve lives, is valued for its contributions to society and generates sustainable returns for those who have invested resources in us. Regardless of what comes our way, our fundamental business belief remains unchanged: If we invest smartly in therapies that offer true benefit to patients and market them thoughtfully, we will do well ... and so will you, our shareholders.

Sincerely,  
**George A. Scangos, Ph.D.**  
Chief Executive Officer

# PRODUCT PIPELINE

PHASE 1  
PHASE 2  
PHASE 3  
FILING  
APPROVED

## Phase One

<b>CD40L</b> Systemic Lupus Erythematosus	●				
<b>BIIB037 (HUMAN ANTI-AMYLOID BETA MAB)</b> Alzheimer's Disease	●				
<b>SMNRx</b> Spinal Muscular Atrophy	●				
<b>NEUBLASTIN</b> Neuropathic Pain	●				

## Phase Two

<b>OCRELIZUMAB (HUMANIZED ANTI-CD20 MAB)</b> Multiple Sclerosis, Relapsing-Remitting	●	●			
<b>ANTI-TWEAK</b> Lupus Nephritis	●	●			
<b>ANTI-LINGO</b> Multiple Sclerosis	●	●			
<b>STX-100</b> Idiopathic Pulmonary Fibrosis	●	●			

## Phase Three

<b>PLEGRIDY (PEGINTERFERON BETA-1A)</b> Multiple Sclerosis, Relapsing Forms	●	●	●		
<b>DACLIZUMAB</b> Multiple Sclerosis, Relapsing Forms	●	●	●		
<b>GA101 (HUMANIZED ANTI-CD20 MAB)</b> Chronic Lymphocytic Leukemia	●	●	●		
<b>GA101 (HUMANIZED ANTI-CD20 MAB)</b> Non-Hodgkin's Lymphoma	●	●	●		
<b>TYSABRI (NATALIZUMAB)</b> Secondary-Progressive MS	●	●	●		

## Filing

PHASE 1  
PHASE 2  
PHASE 3  
FILING  
APPROVED

### RECOMBINANT FACTOR VIII FC (RFVIII FC)

Hemophilia A



### RECOMBINANT FACTOR IX FC (RFIX FC)

Hemophilia B



## Approved

### AVONEX (INTERFERON BETA-1A)

Multiple Sclerosis, Relapsing-Remitting



### TYSABRI (NATALIZUMAB)

Multiple Sclerosis, Relapsing-Remitting



### TYSABRI (NATALIZUMAB)

Crohn's Disease (U.S.)



### RITUXAN (RITUXIMAB)

Non-Hodgkin's Lymphoma



### RITUXAN (RITUXIMAB)

ANCA-Associated Vasculitis



### RITUXAN (RITUXIMAB)

Anti-TNF Refractory Rheumatoid Arthritis



### RITUXAN (RITUXIMAB)

Chronic Lymphocytic Leukemia



### FUMADERM (FUMARIC ACID ESTERS)

Psoriasis (Germany)



### FAMPYRA (PROLONGED-RELEASE FAMPRIDINE TABLETS)

Multiple Sclerosis (Walking Ability)



### TECFIDERA (DIMETHYL FUMARATE)

Multiple Sclerosis, Relapsing Forms (FDA-approved)\*



\*Under review with EMA.

# FINANCIALS

## GAAP to Non-GAAP Reconciliation

### Condensed Consolidated Statements of Income – Operating Basis

(unaudited, \$ in millions  
except per share amounts )

FY 08 09 10 11 12

**GAAP diluted EPS** **\$2.65** **\$3.35** **\$3.94** **\$5.04** **\$5.76**

Adjustment to net income attributable to Biogen Idec Inc. (see below) \$1.01 \$0.77 \$1.21 \$0.86 \$0.77

**Non-GAAP diluted EPS** **\$3.66** **\$4.12** **\$5.15** **\$5.90** **\$6.53**

**GAAP Net Income Attributable to Biogen Idec Inc.** **\$783** **\$970** **\$1,005** **\$1,234** **\$1,380**

R&D – Severance and restructuring 1 3 1 – 9

R&D – Expenses paid by Cardiokine 5 8 5 – –

SG&A – Severance and restructuring 4 – 6 – –

2010 Restructuring initiatives – – 75 19 2

Amortization of intangible assets 333 290 209 207 194

Fair value adjustment of contingent consideration associated with 2010 Panima acquisition and 2011 purchase of Dompe's noncontrolling interest – – – 36 27

Contingent consideration payments made in 2008 associated with the 2006 Conforma acquisition and in 2010 associated with the 2007 Syntonix acquisition, and the 2010 IPR&D charge related to the consolidation of Knopp 25 – 245 – –

Gain/(loss) on sale of long-lived assets (9) – – – –

Net income attributable to non-controlling interests: consolidation of Knopp in 2010 and expenses paid by Cardiokine in 2008, 2009 and 2010 (5) (8) (149) – –

Income tax effect primarily related to reconciling items (82) (97) (116) (62) (53)

Stock option expense 26 29 33 12 8

**Non-GAAP Net Income Attributable to Biogen Idec Inc.** **\$1,081** **\$1,195** **\$1,315** **\$1,446** **\$1,567**

Numbers may not foot due to rounding.



## Free Cash Flow Reconciliation

(unaudited, \$ in millions)	FY 08	09	10	11	12
Net cash flows provided by operating activities	\$1,562	\$1,075	\$1,625	\$1,728	\$1,880
Purchases of property, plant and equipment (Capital Expenditures)	276	166	173	208	255
<b>Free Cash Flow</b>	<b>\$1,286</b>	<b>\$909</b>	<b>\$1,452</b>	<b>\$1,520</b>	<b>\$1,625</b>

**NOTES:** The non-GAAP net income attributable to Biogen Idec Inc. and non-GAAP diluted EPS presented are defined as reported, or GAAP, values excluding (1) certain purchase accounting and merger-related adjustments, (2) stock option expense and the cumulative effect of an accounting change relating to the initial adoption of a new accounting standard for share-based payments, (3) other select items and (4) their related tax effects. Free cash flow is defined as net cash flows provided by operating activities less purchases of property, plant and equipment, as disclosed within our Form 10-K. We believe the disclosure of these non-GAAP financial measures provides investors additional insight into the ongoing economics of our business and reflects how we manage our business internally, set operational goals and form the basis of our management incentive programs. These non-GAAP financial measures are not in accordance with GAAP and should not be viewed in isolation or as a substitute for comparable reported, or GAAP financial measures. Numbers may not foot due to rounding. Additional reconciliations of our non-GAAP financial measures can be found in the Investors section of [www.biogenidec.com](http://www.biogenidec.com).

**SAFE HARBOR:** This annual report contains forward-looking statements, including statements about our 2013 goals, growth prospects and strategies, regulatory filings and agency actions, product launch plans, the anticipated development of and data readouts from programs in our clinical pipeline, and the expectation and anticipated benefits of our collaboration and research efforts. These forward-looking statements may be accompanied by such words as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “project,” “target,” “will” and other words and terms of similar meaning. You should not place undue reliance on these statements. These statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements, including our dependence on our three principal products, AVONEX®, RITUXAN® and TYSABRI®; the importance of TYSABRI’s sales growth; uncertainty of success in executing our commercial launch of TECFIDERA™; uncertainty of success in commercializing other product candidates; product competition; occurrence of adverse safety events with our products; changes in the availability of reimbursement for our products; adverse market and economic conditions; our dependence on collaborations and other third parties over which we may not always have full control; failure to comply with government regulation and legal and regulatory requirements; our ability to protect our intellectual property rights, and have sufficient rights to market our products and services, and the cost of doing so; problems with our manufacturing processes and our reliance on third parties; the risks of doing business internationally; failure to execute our growth initiatives; charges and other costs relating to our properties; fluctuations in our effective tax rate; our ability to attract and retain qualified personnel; fluctuations in our operating results; the market, interest and credit risks associated with our portfolio of marketable securities; environmental risks; change of control provisions in our collaborations; 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 we have filed with the SEC. These statements are based on our current beliefs and expectations and speak only as of April 19, 2013. We do not undertake any obligation to publicly update any forward-looking statements.

**NOTE REGARDING TRADEMARKS:** AVONEX®, AVONEX PEN®, AVOSTARTGRIP®, MS ACTIVESOURCE®, RITUXAN®, and TYSABRI® are registered trademarks of Biogen Idec or its subsidiaries. FUMADERM™, PLEGRIDY™, and TECFIDERA™ are trademarks of Biogen Idec or its subsidiaries. FAMPYRA® is a registered trademark of Acorda Therapeutics, Inc.



## ❖ MANAGEMENT TEAM

Executive Management (left to right):

- ❖ Steven H. Holtzman, Executive Vice President, Corporate Development
- ❖ John G. Cox, Executive Vice President, Pharmaceutical Operations and Technology
- ❖ George A. Scangos, Ph.D., Chief Executive Officer
- ❖ Tony Kingsley, Executive Vice President, Global Commercial Operations
- ❖ Susan H. Alexander, Executive Vice President, Chief Legal Officer and Corporate Secretary
- ❖ Douglas E. Williams, Ph.D., Executive Vice President, Research and Development
- ❖ Kenneth DiPietro, Executive Vice President, Human Resources
- ❖ Paul J. Clancy, Executive Vice President, Finance and Chief Financial Officer
- ❖ Ray Pawlicki, Senior Vice President and Chief Information Officer

## ✦ CORPORATE INFORMATION

### ✦ Board of Directors

**William D. Young**

Chairman, Biogen Idec  
Venture Partner,  
Clarus Ventures, LLC

**George A. Scangos, Ph.D.**

Chief Executive Officer,  
Biogen Idec

**Alexander J. Denner, Ph.D.**

Private Investor and Founding Partner,  
Sarissa Capital

**Caroline D. Dorsa**

Executive Vice President and Chief Financial Officer,  
Public Service Enterprise  
Group Incorporated

**Nancy L. Leaming**

Retired Chief Executive Officer and President,  
Tufts Health Plan

**Richard C. Mulligan, Ph.D.**

Mallinckrodt Professor of Genetics,  
Harvard Medical School and  
Founding Partner,  
Sarissa Capital

**Robert W. Pangia**

Chief Executive Officer,  
Ivy Sports Medicine, LLC

**Stelios Papadopoulos, Ph.D.**

Chairman, Exelixis, Inc.

**Brian S. Posner**

Private Investor and President,  
Point Rider Group LLC

**Eric K. Rowinsky, M.D.**

Head of R&D and Chief Medical Officer,  
Stemline Therapeutics, Inc.

**The Honorable Lynn Schenk**

Attorney, former Chief of Staff to the  
Governor of California and former  
U.S. Congresswoman

**Stephen A. Sherwin, M.D.**

Chairman, Ceregene, Inc.

### ✦ Shareholder Information

#### Corporate Headquarters

##### **Biogen Idec Inc.**

133 Boston Post Road  
Weston, MA 02493  
Phone: (781) 464-2000

#### SEC Form 10-K

A copy of Biogen Idec's Annual Report on  
Form 10-K filed with the Securities and  
Exchange Commission is available at

**www.sec.gov** and upon request to:

Investor Relations Department  
Biogen Idec Inc.

133 Boston Post Road  
Weston, MA 02493  
Phone: (781) 464-2000

#### Transfer Agent

For shareholder questions regarding lost  
stock certificates, address changes and  
changes of ownership or names in which the  
shares are held, direct inquiries to:

Computershare Trust Company NA

250 Royall Street

Canton, MA 02021

(781) 575-2879

**www.computershare.com**

#### Independent Accountants

PricewaterhouseCoopers LLP  
125 High Street  
Boston, MA 02110

#### News Releases

As a service to our shareholders and  
prospective investors, copies of Biogen Idec  
news releases issued in the last 12 months  
are now available almost immediately 24  
hours a day, seven days a week, on the Web  
at **www.businesswire.com**. Biogen Idec's  
news releases are usually posted within one  
hour of being issued and are available at no  
cost at **www.biogenidec.com**.

#### Market Information

Our common stock trades on the NASDAQ  
Global Select Market under the Symbol  
"BIIB."

The following table shows the high and  
low sales price for our common stock as  
reported by the NASDAQ Global Select  
Market for each quarter in the years ended  
December 31, 2012 and 2011.

#### Common Stock Price

		HIGH	LOW
QUARTER	1	\$73.53	\$64.28
	2	\$109.63	\$72.70
	3	\$109.14	\$83.83
	4	\$120.66	\$87.72
<b>2011</b>			
		HIGH	LOW
QUARTER	1	\$127.85	\$111.44
	2	\$144.38	\$124.23
	3	\$157.18	\$137.88
	4	\$155.30	\$134.00
<b>2012</b>			



