

TABLE 3
Biogen Idec Inc.
June 30, 2011
Condensed Consolidated Statements of Income - Non-GAAP
(in millions, except per share amounts)
(unaudited)

| EARNINGS PER SHARE | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|----------------|------------------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| GAAP earnings per share - Diluted | \$ 1.18 | \$ 1.12 | \$ 2.38 | \$ 1.91 |
| Adjustments to net income attributable to Biogen Idec Inc. (as detailed below) | 0.18 | 0.19 | 0.40 | 0.48 |
| Non-GAAP earnings per share - Diluted | <u>\$ 1.36</u> | <u>\$ 1.31</u> | <u>\$ 2.78</u> | <u>\$ 2.39</u> |

An itemized reconciliation between net income attributable to Biogen Idec Inc. on a GAAP basis and net income attributable to Biogen Idec Inc. on a non-GAAP basis is as follows:

| | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| GAAP net income attributable to Biogen Idec Inc. | \$ 288.0 | \$ 293.4 | \$ 582.4 | \$ 510.9 |
| Adjustments: | | | | |
| R&D: Restructuring and severance | - | 0.6 | - | 1.3 |
| R&D: Stock option expense | 0.5 | 0.8 | 1.7 | 2.4 |
| R&D: Expenses paid by Cardiokine | - | 1.9 | - | 3.8 |
| SG&A: Restructuring and severance | - | 1.5 | - | 5.8 |
| SG&A: Stock option expense | 1.2 | 8.8 | 2.5 | 19.5 |
| Amortization of acquired intangible assets | 55.1 | 53.2 | 108.4 | 102.0 |
| Restructuring charges | - | - | 16.6 | - |
| Fair value adjustment of contingent consideration associated with the 2010 Panima acquisition | 2.2 | - | 3.4 | - |
| Acquired in-process research and development related to the contingent consideration payment associated with the 2007 Syntonix acquisition | - | - | - | 40.0 |
| Income tax expense: Income tax effect related to reconciling items | (14.8) | (15.1) | (33.5) | (42.3) |
| Noncontrolling interest: Expenses paid by Cardiokine | - | (1.9) | - | (3.8) |
| Non-GAAP net income attributable to Biogen Idec Inc. | <u>\$ 332.2</u> | <u>\$ 343.2</u> | <u>\$ 681.5</u> | <u>\$ 639.6</u> |

2011 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:

| | \$ Millions | Shares | Diluted EPS |
|---|-------------------|------------|----------------|
| Projected GAAP net income attributable to Biogen Idec Inc. | <u>\$ 1,203.0</u> | <u>245</u> | <u>\$ 4.91</u> |
| Adjustments: | | | |
| Stock option expense | 12.4 | | |
| Amortization of acquired intangible assets | 220.7 | | |
| Restructuring charges | 23.1 | | |
| Contingent consideration | 5.5 | | |
| Income taxes | (68.2) | | |
| Projected Non-GAAP net income attributable to Biogen Idec Inc. | <u>\$ 1,396.5</u> | <u>245</u> | <u>\$ 5.70</u> |

Use of Non-GAAP Financial Measures

Our "non-GAAP net income attributable to Biogen Idec Inc." and "non-GAAP diluted EPS" financial measures exclude the following items from GAAP net income attributable to Biogen Idec Inc. 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, Syntonix Pharmaceuticals, and Panima Pharmaceuticals AG and the consolidation of Knopp and Cardiokine. These include charges for in-process research and development and 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 the accounting standard for share-based payments.

We believe that excluding the impact of expensing stock options better reflects the recurring economic characteristics of our business. We exclude stock option expense from our non-GAAP R&D expenses and SG&A expenses, but include the impact of all other share-based awards and cash incentives in our non-GAAP results.

3. Other 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 attributable to Biogen Idec Inc. and 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.