

BIOGEN IDEC INC.  
Form PRER14A  
April 22, 2009

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**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-11(c) or §240.14a-12

**Biogen Idec Inc.**

(Name of Registrant as Specified In Its Charter)

(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)(4) 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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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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**PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION**

**Biogen Idec Inc.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON [     ], 2009**

**TO OUR STOCKHOLDERS:**

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of Biogen Idec Inc., a Delaware corporation, will be held at 9:00 a.m., local time, on [     ], [     ], 2009 at [     ] for the following purposes:

1. To elect four of the nominees identified in this Proxy Statement to our Board of Directors to serve for a three-year term ending at the annual meeting of stockholders in 2012. Our Board of Directors' nominees are Lawrence C. Best, Alan B. Glassberg, Robert W. Pangia and William D. Young.
2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009.
3. To approve amendments to our bylaws to change the voting standard for the election of directors in uncontested elections from a plurality standard to a majority standard.
4. To vote on a proposal from certain entities affiliated with Carl C. Icahn (the "Icahn Entities") to amend our bylaws to fix the size of the Board of Directors at 13 members and remove the Board's ability to change the size of the Board (the "Icahn Bylaw Proposal").
5. To vote on a proposal from the Icahn Entities requesting that our Board of Directors take the necessary steps to propose for stockholder approval that we reincorporate from Delaware to North Dakota and elect to be subject to the North Dakota Publicly Traded Corporations Act (the "Icahn North Dakota Proposal", together with the Icahn Bylaw Proposal, the "Icahn Proposals").
6. To transact such other business as may be properly brought before the meeting and any adjournments.

Only Biogen Idec stockholders of record at the close of business on [     ], 2009 will be entitled to vote at the meeting.

Your vote is extremely important regardless of the number of shares you own. Whether or not you expect to attend the meeting in person, we urge you to vote as promptly as possible by telephone or by Internet by following the instructions on the **WHITE** proxy card or by signing, dating and returning the enclosed **WHITE** proxy card in the postage-paid envelope provided. If you are a beneficial owner or you hold your shares in street name, please follow the voting instructions provided by your bank, broker or other nominee.

Please note that the Icahn Entities have provided notice that they intend to nominate their own slate of four nominees for election as directors, submit the Icahn Proposals and solicit proxies for use at the annual meeting of stockholders to vote in favor of their own slate in opposition to Item 1 above and in favor of the Icahn Proposals. We do not believe this is in your best interest. You may receive proxy solicitation materials from the Icahn Entities, including an opposition proxy statement and proxy card. **OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE BOARD'S NOMINEES USING THE ENCLOSED WHITE PROXY CARD AND URGES YOU NOT TO SIGN OR RETURN OR VOTE ANY PROXY CARD SENT TO YOU BY**

**THE ICAHN ENTITIES.** Even if you have previously signed a proxy card sent by the Icahn Entities, you have the right to change your vote by telephone or by Internet by following the instructions on the **WHITE** proxy card or by signing, dating and returning the enclosed **WHITE** proxy card in the postage-paid envelope provided. Only the latest dated proxy card you vote will be counted. We urge you to disregard any proxy card sent to you by the Icahn Entities.

If you have any questions or require any assistance with voting your shares, please contact:

**INNISFREE M&A INCORPORATED**  
**STOCKHOLDERS CALL TOLL FREE: 877-750-5836**  
**BANKS AND BROKERS CALL COLLECT: 212-750-5833**

BY ORDER OF OUR BOARD OF DIRECTORS

Susan H. Alexander  
*Secretary*

Cambridge, Massachusetts  
[DATE]

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**Biogen Idec Inc.  
14 Cambridge Center  
Cambridge, Massachusetts 02142**

**PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON [     ], 2009  
AT 9:00 A.M., LOCAL TIME**

**GENERAL INFORMATION ABOUT THE MEETING AND VOTING**

We are sending you this Proxy Statement and the accompanying proxy card because the Board of Directors of Biogen Idec Inc. ( Biogen Idec or the Company ) is soliciting your proxy to vote at our 2009 annual meeting of stockholders (the Annual Meeting ) to be held at [     ] on [     ], 2009 at 9:00 a.m., local time. This Proxy Statement, along with the accompanying Notice of Annual Meeting of Stockholders, summarizes the purposes of the Annual Meeting and the information that you need to know to vote at the Annual Meeting.

Our 2008 Annual Report is being mailed with this Proxy Statement. The Notice of Annual Meeting, this Proxy Statement and our 2008 Annual Report are available online at <http://investor.biogenidec.com>.

The Company has received notice from certain entities affiliated with Carl C. Icahn, namely, Icahn Partners LP, Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP, Icahn Partners Master Fund III LP and High River Limited Partnership (collectively, the Icahn Entities ) of their intention to nominate Alexander J. Denner, Richard C. Mulligan, Thomas F. Deuel and David Sidransky (collectively, the Icahn Nominees ) for election to the Company's Board of Directors at the Annual Meeting. The Icahn Entities have also indicated their intention to submit two proposals at the Annual Meeting (the Icahn Proposals ). The first Icahn Proposal (the Icahn Bylaw Proposal ) is to amend the Second Amended and Restated Bylaws of Biogen Idec (the Bylaws ) in order to fix the number of directors at 13 and eliminate the power of the Board of Directors to fix the number of directors, as more fully described on page 19. The second Icahn Proposal (the Icahn North Dakota Proposal ) is to request that the Board of Directors of Biogen Idec take the necessary steps to propose for stockholder approval that the Company reincorporate from Delaware to North Dakota and elect to be subject to the North Dakota Publicly Traded Corporations Act (the North Dakota Law ), as more fully described beginning on page 20.

The Icahn Nominees have NOT been endorsed by our Board of Directors. We urge stockholders NOT to vote any proxy card that you may receive from the Icahn Entities. Our Board of Directors urges you to vote FOR our nominees for director, Lawrence C. Best, Alan B. Glassberg, Robert W. Pangia and William D. Young.

We are not responsible for the accuracy of any information provided by or relating to the Icahn Entities contained in any proxy solicitation materials filed or disseminated by, or on behalf of, the Icahn Entities or any other statements that the Icahn Entities may otherwise make. The Icahn Entities choose which stockholders receive their proxy solicitation materials.

**Who can vote?**

Each share of our common stock that you own as of the close of business on the record date of [     ], 2009 (the Record Date ) entitles you to one vote on each matter to be voted upon at the Annual Meeting. As of the Record Date, [     ] shares of common stock were outstanding and entitled to vote. We are mailing this Proxy Statement and the accompanying **WHITE** proxy card on or about [     ], 2009 to all stockholders of record as of the Record Date, entitled to notice of and to vote at the Annual Meeting. For 10 days prior to the Annual Meeting, a list of stockholders entitled



to vote will be available for inspection at our executive offices located at 10 Cambridge Center, Cambridge, Massachusetts 02142. If you would like to review the list, please call our Investor Relations department at (617) 679-2812.

Please note that attendance at the Annual Meeting will be limited to stockholders of Biogen Idec as of the Record Date (or their authorized representatives). If your shares are held by a bank, broker or other nominee, please bring to the Annual Meeting your bank or broker statement evidencing your beneficial ownership of Biogen Idec stock to gain admission to the Annual Meeting. Stockholders who plan to attend the Annual Meeting must present valid photo identification. Stockholders of record will be verified against an official list available at the registration area. The

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Company reserves the right to deny admittance to anyone who cannot adequately show proof of share ownership as of the Record Date.

Shares represented by valid proxies, received in time for the Annual Meeting and not revoked prior to the Annual Meeting, will be voted at the Annual Meeting. You can revoke your proxy and change your vote in the manner described on page 3 (under How can I change my vote? ).

### **How do proxies work?**

Our Board of Directors is asking for your proxy. Giving us your proxy means that you authorize us to vote your shares at the Annual Meeting in the manner you direct when you vote by telephone or by Internet by following the instructions on the **WHITE** proxy card or by signing, dating and returning the enclosed **WHITE** proxy card in the postage-paid envelope provided. You may vote for all, some, or none of our director nominees. You may also vote for or against the other item(s) or abstain from voting. If you sign and return the enclosed **WHITE** proxy card but do not specify how to vote, we will vote your shares in favor of our director nominees, for the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm, for the amendments to our Bylaws to change the voting standard for the election of directors in uncontested elections from a plurality standard to a majority standard, against the Icahn Bylaw Proposal and against the Icahn North Dakota Proposal.

If your shares are held through a bank, broker or other nominee, please follow the instructions provided by your bank, broker or other nominee.

### **How do I vote?**

It is important that your shares are represented at the Annual Meeting, whether or not you attend the Annual Meeting in person.

To make sure that your shares are represented, we urge you to vote as promptly as possible by telephone or by Internet by following the instructions on the **WHITE** proxy card or by signing, dating and returning the enclosed **WHITE** proxy card in the postage-paid envelope provided.

**If you are a registered stockholder (also called a record holder )**, there are four ways to vote:

By calling the toll-free telephone number indicated on your **WHITE** proxy card. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded;

By going to the Internet website indicated on your **WHITE** proxy card. As with telephone voting, you can confirm that your instructions have been properly recorded;

By signing, dating and returning the accompanying **WHITE** proxy card in the postage-paid envelope provided; or

By written ballot at the Annual Meeting. To obtain directions to attend the Annual Meeting, please contact our Investor Relations department at (617) 679-2812.

**If your shares are held in a brokerage account in your broker's name (this is called street name )**, please follow the voting instructions provided by your bank, broker or other nominee. In most cases, you may submit voting instructions by telephone or by Internet to your bank, broker or other nominee, or you can sign, date and return a **WHITE** voting instruction form to your bank, broker or other nominee. If you provide specific voting instructions by

telephone, by Internet or by mail, your bank, broker or other nominee must vote your shares as you have directed.

At the Annual Meeting, we will pass out ballots to anyone who wishes to vote in person. If you hold your shares in street name, you must request a legal proxy from your bank, broker or other nominee to vote by ballot at the Annual Meeting.

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**What should I do if I receive a proxy card from the Icahn Entities?**

The Icahn Entities have provided notice that they intend to nominate their own slate of four nominees for election as directors, submit the Icahn Proposals and solicit proxies for use at the Annual Meeting to vote in favor of their own slate in opposition to Item 1 above and in favor of the Icahn Proposals. You may receive proxy solicitation materials from the Icahn Entities, including an opposition proxy statement and proxy card. **OUR BOARD OF DIRECTORS URGES YOU NOT TO SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY THE ICAHN ENTITIES.** Even if you have previously signed a proxy card sent by the Icahn Entities, you have the right to change your vote by telephone or by Internet by following the instructions on the **WHITE** proxy card or by signing, dating and returning the enclosed **WHITE** proxy card in the postage-paid envelope provided. Only the latest dated proxy card you vote will be counted. We urge you to disregard any proxy card sent to you by the Icahn Entities.

**What does it mean if I receive more than one proxy card?**

If you hold your shares in more than one account, you will receive a **WHITE** proxy card for each account. To ensure that all of your shares are voted, please use the **WHITE** proxy card to vote by telephone or by Internet or sign, date and return a **WHITE** proxy card for each account.

As previously noted, the Icahn Entities have provided notice that they intend to nominate their own slate of four nominees for election as directors at the Annual Meeting, submit the Icahn Proposals and solicit proxies for use at the Annual Meeting to vote in favor of their own slate in opposition to Item 1 above and in favor of the Icahn Proposals. As a result, you may receive proxy cards from both the Icahn Entities and Biogen Idec. To ensure stockholders have Biogen Idec's latest proxy information and materials to vote, our Board of Directors expects to conduct multiple mailings prior to the date of the Annual Meeting, each of which will include a **WHITE** proxy card regardless of whether or not you have previously voted. Only the latest dated proxy card you vote will be counted.

**OUR BOARD OF DIRECTORS URGES YOU NOT TO SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY THE ICAHN ENTITIES.** Even if you have previously signed a proxy card sent by the Icahn Entities, you have the right to change your vote by re-voting by telephone or by Internet or by signing, dating and returning the enclosed **WHITE** proxy card in the postage-paid envelope provided. A later dated proxy submitted to the Icahn Entities would also revoke a prior proxy granted to the Company. Only the latest dated proxy card you vote will be counted. We urge you to disregard any proxy card sent to you by the Icahn Entities.

**Who should I call if I have any questions?**

If you have any questions, or need assistance voting, please contact our proxy solicitor:

**Innisfree M&A Incorporated**  
**Stockholders Call Toll Free: 877-750-5836**  
**Banks and Brokers Call Collect: 212-750-5833**

**How can I change my vote?**

You may revoke your proxy and change your vote at any time before the Annual Meeting. You may do this by:

Re-voting by telephone or by Internet as instructed above. Only your latest telephone or Internet vote will be counted.

Signing and dating a new proxy card or voting instruction form and submitting it as instructed above. Only your latest proxy card or voting instruction form will be counted.

If your shares are registered in your name, delivering timely written notice of revocation to the Secretary, Biogen Idec Inc., 14 Cambridge Center, Cambridge, Massachusetts 02142.

Attending the Annual Meeting in person and voting in person. Attending the Annual Meeting in person will not in and of itself revoke a previously submitted proxy unless you specifically request it.

Only your latest vote, in whatever form, will be counted.

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### **What is a broker non-vote?**

Under the rules that govern brokers who have record ownership of shares that they hold in street name for their clients who are the beneficial owners of the shares, brokers have the discretion to vote such shares on discretionary, or routine, matters but not on non-discretionary, or non-routine, matters. Broker non-votes generally occur when shares held by a broker nominee for a beneficial owner are not voted with respect to a proposal because the broker nominee has not received voting instructions from the beneficial owner and lacks discretionary authority to vote the shares. Brokers normally have discretion to vote on routine matters, such as uncontested director elections and ratification of independent registered public accounting firms, but not on non-routine matters, such as contested director elections or stockholder proposals (*i.e.* the Icahn Proposals). For brokerage accounts that are sent proxy materials by the Icahn Entities, all items on the proxy card will be considered non-routine matters. Thus, if you hold your shares in street name and the Icahn Entities provide you with proxy solicitation materials through your broker, your broker will not be able to vote your shares unless you provide instructions as to how your shares are to be voted. We urge you to provide instructions to your broker so that your votes may be counted on these important matters. You should vote your shares by following the instructions provided on the **WHITE** voting instruction form and returning your **WHITE** voting instruction form to your broker to ensure that your shares are voted on your behalf.

### **Will my shares be counted if I do not vote?**

If you are a record holder and do not vote by telephone or by Internet or by signing and returning a proxy card, your shares will not be voted.

If you are the beneficial owner of shares held in street name by a bank, broker or other nominee, as the record holder of the shares, your bank, broker or other nominee is required to vote those shares in accordance with your instructions. We urge you to provide instructions to your bank, broker or other nominee so that your votes may be counted on these important matters. You should vote your shares by following the instructions provided on the **WHITE** voting instruction form and returning your **WHITE** voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.

If you do not give instructions to your broker, your broker will be entitled to vote your shares with respect to discretionary items but will not be permitted to vote your shares with respect to non-discretionary items (those shares are treated as broker non-votes). For those brokerage accounts not solicited by the Icahn Entities, Proposals 1, 2 and 3 are discretionary items and Proposals 4 and 5 are non-discretionary items. For those brokerage accounts solicited by the Icahn Entities, all items on the agenda will be considered non-discretionary items. Thus, if you hold your shares in street name and the Icahn Entities provide you with proxy solicitation materials through your broker, your broker will not be able to vote your shares unless you provide instructions as to how your shares are to be voted. We urge you to provide instructions to your broker so that your votes may be counted on these important matters. You should vote your shares by following the instructions provided on the **WHITE** voting instruction form and returning your **WHITE** voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.

### **How many shares must be present to hold the Annual Meeting?**

A majority of our outstanding shares of common stock as of the Record Date must be present at the Annual Meeting to hold the Annual Meeting and conduct business. This is called a quorum. Shares voted in the manner described above (under How do I vote?) will be counted as present at the Annual Meeting. Shares that are present and entitled to vote on one or more of the matters to be voted upon are counted as present for establishing a quorum.

If a quorum is not present, we expect that the Annual Meeting will be adjourned until we obtain a quorum.

**What vote is required to approve each matter and how are votes counted?**

**Election of Directors.** The four nominees for director receiving the highest number of votes FOR election will be elected as directors. This is called a plurality. Abstentions and broker non-votes, if any, are not counted for purposes of electing directors and will have no effect on the results of this vote. You may vote

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either FOR all of the nominees, WITHHOLD your vote from all of the nominees or WITHHOLD your vote from any one or more of the nominees. Votes that are withheld will not be included in the vote tally for the election of directors.

**Ratification of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm.** The affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is required to ratify PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2009. Abstentions will have the effect of votes against this proposal. Broker non-votes, if any, will have no effect on the results of this vote. We are not required to obtain the approval of our stockholders to select our independent registered public accounting firm. However, if our stockholders do not ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2009, the Finance and Audit Committee of our Board of Directors will reconsider its selection.

**Approval of Bylaw Amendments to Implement Majority Voting in Uncontested Director Elections.** The affirmative vote of the holders of a majority of the stock issued and outstanding and entitled to vote at the Annual Meeting is required to approve amendments to the Company's Bylaws to change the voting standard for the election of directors in uncontested elections from a plurality standard to a majority standard. Abstentions and broker non-votes, if any, will have the effect of votes against this proposal.

**The Icahn Bylaw Proposal.** The affirmative vote of the holders of a majority of the stock issued and outstanding and entitled to vote at the Annual Meeting is required to approve the Icahn Bylaw Proposal. Abstentions and broker non-votes, if any, will have the effect of votes against this proposal.

**The Icahn North Dakota Proposal.** The affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is required to approve the Icahn North Dakota Proposal. Abstentions will have the effect of votes against this proposal. Broker non-votes, if any, will have no effect on the results of this vote. Because the Icahn North Dakota Proposal presents a non-binding resolution, we will not be required to take the requested action if the proposal is approved, although our Board of Directors will reevaluate its recommendation concerning the proposal if it is approved.

### **Are there other matters to be voted on at the Annual Meeting?**

We do not know of any other matters that may come before the Annual Meeting. If any other matters are properly presented to the Annual Meeting, the persons named in the accompanying proxy card intend to vote, or otherwise act, in accordance with their judgment.

### **Where do I find the voting results of the Annual Meeting?**

We will publish final voting results in our Quarterly Report on Form 10-Q for the [ ] quarter of 2009, which we plan to file with the Securities and Exchange Commission (the SEC) by [ ], 2009. You may request a copy of the Form 10-Q by writing to Investor Relations, Biogen Idec Inc., 14 Cambridge Center, Cambridge, Massachusetts 02142. You will also be able to find a copy on the Internet through the SEC's electronic data system called EDGAR at [www.sec.gov](http://www.sec.gov) or through the Investor Relations section of our website at [www.biogenidec.com](http://www.biogenidec.com).

**Important Notice Regarding the Availability of Proxy Materials for Annual Meeting of Stockholders To Be Held at 9:00 a.m., local time, on [ ], 2009:** The Notice of Annual Meeting, this Proxy Statement and our 2008 Annual Report are available online at <http://investor.biogenidec.com>.





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**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Our Board of Directors currently consists of 13 members, divided into two classes of four and one class of five, each serving staggered three-year terms, as follows:

Class 1 directors (terms expire in 2010) Marijn E. Dekkers, Nancy L. Leaming, James C. Mullen, Brian S. Posner and Bruce R. Ross (Chairman).

Class 2 directors (terms expire in 2011) Stelios Papadopoulos, Cecil B. Pickett, Lynn Schenk and Phillip A. Sharp.

Class 3 directors (terms expire at this meeting) Lawrence C. Best, Alan B. Glassberg, Robert W. Pangia and William D. Young.

The terms of our Class 3 directors expire at this Annual Meeting. If re-elected, Messrs. Best, Pangia and Young and Dr. Glassberg will hold office until the annual meeting of stockholders in 2012 and until their successors are duly elected and qualified unless they resign or are removed.

If any of our nominees is unable to serve or for good cause will not serve on our Board of Directors, the shares represented by the enclosed **WHITE** proxy card will be voted for the election of such other person as may be nominated by our Board of Directors. In addition, in full compliance with all applicable state and federal laws and regulations, we will file an amended proxy statement and proxy card that, as applicable, (1) identifies the alternate nominee(s), (2) discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected and (3) includes the disclosure required by Item 7 of Schedule 14A with respect to such nominees. We know of no reason why any nominee would be unable or for good cause unwilling to accept nomination or election. All nominees have consented to be named in this Proxy Statement and to serve if elected.

As described in detail below, our nominees have considerable professional and business expertise. The recommendation of our Board of Directors is based on its carefully considered judgment that the experience, record and qualifications of our nominees make them the best candidates to serve on our Board of Directors.

**OUR BOARD OF DIRECTORS RECOMMENDS THE ELECTION OF LAWRENCE C. BEST, ALAN B. GLASSBERG, ROBERT W. PANGIA AND WILLIAM D. YOUNG.**

**Information about our Directors**

Prior to the merger with Biogen, Inc. in November 2003 (the Merger), we were known as IDEC Pharmaceuticals Corporation. References to our or us in the following biographical descriptions include Biogen Idec and the former IDEC Pharmaceuticals Corporation.

***Information about our Nominees for Election as Class 3 Directors Terms Expire in 2009***

Lawrence C. Best  
(age 59)

Mr. Best is Chairman and Founder of OXO Capital LLC, a privately-held investment company. Mr. Best was formerly the Chief Financial Officer of Boston Scientific

Corporation, a medical device company, from 1992 until June 2007, and retired in July 2007 as an Executive Vice President. From 1981 to 1992, Mr. Best served as Senior Partner with Ernst & Young. From 1979 to 1981, Mr. Best served as a Professional Accounting Fellow in the Office of the Chief Accountant at the SEC.

Mr. Best has served as one of our directors since the Merger and served as a director of Biogen, Inc. from February 2003 until the Merger. He is also a director of Haemonetics Corporation, a provider of blood processing products and services.

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Alan B. Glassberg, M.D.  
(age 72)

Dr. Glassberg is a venture partner and member of the Scientific Advisory Board of Bay City Capital, a firm which manages investment funds in the life sciences industry. Dr. Glassberg has been associated with Bay City Capital since August 2006. Dr. Glassberg served as Chief Medical Officer of Poniard Pharmaceuticals, Inc., a biopharmaceutical company, from July 2006 to March 2007, and currently serves as a consultant to Poniard Pharmaceuticals and as a member of its Clinical Advisory Board. Dr. Glassberg retired from the University of California San Francisco in June 2006, where he had served in various capacities since 1970, including as Associate Director of Clinical Care, from 1997 to June 2006, and Director of General Oncology, from 1994 to 1996, at the University of California San Francisco Comprehensive Cancer Center.

Dr. Glassberg has served as one of our directors since 1997.

Robert W. Pangia  
(age 57)

Mr. Pangia is a partner in Ivy Capital Partners, LLC, the general partner of Ivy Healthcare Capital, L.P., a private equity fund specializing in healthcare investments, a position he has held since February 2003. In October 2007 he became Chief Executive Officer of Highlands Acquisition Corp., an AMEX-traded special purpose acquisition company. From 1996 to February 2003, he was self-employed as an investment banker. From 1987 to 1996, Mr. Pangia held various senior management positions at PaineWebber, including Executive Vice President and Director of Investment Banking for PaineWebber Incorporated of New York, member of the board of directors of PaineWebber, Inc., Chairman of the board of directors of PaineWebber Properties, Inc., and member of PaineWebber's executive and operating committees, chair of its equity commitment committee and member of its debt commitment committee.

Mr. Pangia has served as one of our directors since 1997. He is also a director of McAfee, Inc., a security technology company.

William D. Young  
(age 64)

Mr. Young is Chairman and Chief Executive Officer of Monogram Biosciences, Inc., a provider of molecular diagnostic products. Mr. Young has served as Chief Executive Officer of Monogram Biosciences since 1999 and Chairman of the Board since 1998. From 1997 to 1999, he served as Chief Operating Officer of Genentech, Inc. Mr. Young joined Genentech in 1980 as Director of Manufacturing and Process Sciences and became Vice President in 1983. He was promoted to various positions and in 1997 became Chief Operating Officer taking on the responsibilities for all development, operations, and sales and marketing activities. Prior to joining Genentech, Mr. Young was with Eli Lilly & Co. for 14 years.

Mr. Young has served as one of our directors since 1997. He is also a director of Monogram Biosciences, Inc. and Theravance, Inc., a biopharmaceutical development company.

Mr. Young was elected to the National Academy of Engineering in 1993 for his contributions to biotechnology and received an Honorary Doctorate in Engineering from Purdue University in 2000.

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***Class I Directors Terms expire in 2010***

Marijn E. Dekkers, Ph.D.  
(age 51)

Dr. Dekkers is President and Chief Executive Officer of Thermo Fisher Scientific Inc., a provider of scientific equipment and services, and has served in that position since the merger of Thermo Electron Corporation and Fisher Scientific International in November 2006. Prior to that merger, Dr. Dekkers was President and Chief Executive Officer of Thermo Electron Corporation, a position he had held since November 2002. He served as President and Chief Operating Officer of Thermo Electron Corporation from July 2000 to November 2002. Prior to joining Thermo Electron Corporation, Dr. Dekkers held various positions of increasing responsibility at Honeywell International Inc. (formerly AlliedSignal Inc.) and General Electric Company.

Dr. Dekkers has served as one of our directors since May 2007. Dr. Dekkers is also a director of Thermo Fisher Scientific.

Nancy L. Leaming  
(age 61)

Ms. Leaming has been an independent consultant since June 2005 and was the Chief Executive Officer and President of the Tufts Health Plan, a provider of healthcare insurance, from June 2003 to June 2005. Prior to being Chief Executive Officer, Ms. Leaming served as Tufts Health Plan's President and Chief Operating Officer from 1997 to June 2003, Chief Operating Officer from 1995 to 1997 and Chief Operating Officer/Chief Financial Officer from 1986 to 1995.

Ms. Leaming has served as one of our directors since January 2008. Ms. Leaming currently serves as Vice Chair of the Board of the American Red Cross of Massachusetts Bay and as a director of Hologic, Inc., a provider of diagnostic and surgical products, Edgewater Technology, Inc., a technology management consulting firm, and the Boston Chamber of Commerce.

James C. Mullen  
(age 50)

Mr. Mullen is our Chief Executive Officer and President and has served in these positions since the Merger. He was Chairman of the Board and Chief Executive Officer of Biogen, Inc. until the Merger. He was named Chairman of the Board of Biogen, Inc. in July 2002, after being named Chief Executive Officer and President of Biogen, Inc. in June 2000. Mr. Mullen joined Biogen, Inc. in 1989 as Director, Facilities and Engineering. He was named Biogen, Inc.'s Vice President, Operations in 1992. From 1996 to 1999, Mr. Mullen served as Vice President, International of Biogen, Inc., with responsibility for building all Biogen, Inc. operations outside North America. From 1984 to 1988, Mr. Mullen held various positions at SmithKline Beckman Corporation (now GlaxoSmithKline plc).

Mr. Mullen has served as one of our directors since the Merger and served as a director of Biogen, Inc. from 1999 until the Merger. Mr. Mullen is a member of the board of directors and executive committee of the Biotechnology Industry Organization (BIO), and is a former chairman of BIO. He is also a director of PerkinElmer, Inc., a health sciences and photonics company.

Brian S. Posner  
(age 47)

Brian S. Posner is a private investor. From November 2005 to March 2008, Mr. Posner served as Chief Executive Officer and co-Chief Investment Officer of ClearBridge Advisors LLC, an asset management company. Prior to joining ClearBridge Advisors,

Mr. Posner was a co-founder and the Managing Partner of Hygrove Partners LLC, an alternative asset management company formed in June 2000. He served as a portfolio manager and an analyst at Fidelity Investments from 1987 to 1996. From 1997 to 1999, Mr. Posner was a senior executive at Warburg Pincus Asset Management and its successor firm, Credit Suisse Asset Management, where he held a number of roles including co-Chief Investment Officer, portfolio manager and member of the Executive Operating Committee.

Mr. Posner has served as one of our directors since July 2008. He is also a trustee at Northwestern University.

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Bruce R. Ross  
(Chairman)  
(age 68)

Mr. Ross is President of Cancer Rx, a health care consulting firm he founded in 1994. From 1994 to 1997, Mr. Ross was Chief Executive Officer of the National Comprehensive Cancer Network, an association of twenty of the largest cancer centers in the United States. He previously held senior management positions during a 27-year career at Bristol-Myers Squibb, including Senior Vice President, Policy, Planning and Development, Bristol-Myers Squibb Pharmaceutical Group and President, Bristol-Myers Squibb U.S. Pharmaceutical Group.

Mr. Ross has served as Chairman of the Board of Directors since December 2005 and has served as one of our directors since 1997.

***Class 2 Directors Terms Expire in 2011***

Stelios Papadopoulos, Ph.D.  
(age 60)

Dr. Papadopoulos is Chairman of the Board of Exelixis, Inc., a drug discovery and development company that he co-founded in 1994. Dr. Papadopoulos is a co-founder and member of the board of directors of both Anadys Pharmaceuticals, Inc., a drug discovery and development company, and Cellzome, Inc., a privately held drug discovery company. He is also a member of the board of directors of Regulus Therapeutics, Inc., Joule Biotechnologies, Inc. and vice-chairman of the board of directors of BG Medicine, Inc., all privately-held life sciences companies. In the not-for-profit sector, Dr. Papadopoulos is a co-founder and Chairman of Fondation Santé, a member of the board of visitors of Duke University Medical Center and a member of the board of directors of the National Marrow Donor Program. Dr. Papadopoulos is also affiliated with New York University Medical Center as an Adjunct Associate Professor of Cell Biology.

Previously, Dr. Papadopoulos was an investment banker with Cowen & Co., LLC, focusing on the biotechnology and pharmaceutical sectors, from April 2000 until his retirement as Vice Chairman in August 2006. Prior to joining Cowen & Co., he spent 13 years as an investment banker at PaineWebber, Inc., where he was most recently Chairman of PaineWebber Development Corp., a PaineWebber subsidiary focusing on biotechnology.

Dr. Papadopoulos has served as one of our directors since July 2008.

Cecil B. Pickett, Ph.D.  
(age 63)

Dr. Pickett has served as our President, Research and Development and as one of our directors since September 2006. Prior to joining Biogen Idec, Dr. Pickett was Corporate Senior Vice President of Schering-Plough Corporation, a pharmaceutical company, and President of Schering-Plough Research Institute, the pharmaceutical research unit of Schering-Plough Corporation, from March 2002 to September 2006. Prior to that, Dr. Pickett was Executive Vice President of Discovery Research at Schering-Plough Corporation from 1993 to March 2002.

Dr. Pickett is a member of the Institute of Medicine of the National Academy of Sciences and is a director of Zimmer Holdings, Inc., an orthopedic device company.

Lynn Schenk  
(age 64)

Ms. Schenk is an attorney and consultant in private practice with extensive public policy and business experience. She served as Chief of Staff to the Governor of

California from 1999 to November 2003. She also served as a member of the United States House of Representatives from 1993 to 1995, representing California's 49th District, and served as the California Secretary of Business, Transportation and Housing from 1980 to 1983.

Ms. Schenk has served as one of our directors since 1995. She is also a director of Sempra Energy, a Fortune 500 energy services and development company, and a member of the board of the California High Speed Rail Authority.



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Phillip A. Sharp, Ph.D.  
(age 64)

Dr. Sharp is Institute Professor, the highest academic rank, at the Massachusetts Institute of Technology, a position he has held since 1999. He is also a faculty member in the Department of Biology and the Koch Institute for Integrative Cancer Research. Dr. Sharp was the founding Director of the McGovern Institute for Brain Research at the Massachusetts Institute of Technology and served in that position from February 2000 to September 2004. From 1991 to 1999, Dr. Sharp served as Head of the Department of Biology at the Massachusetts Institute of Technology. From 1985 to 1991, Dr. Sharp served as Director of the Koch Institute for Integrative Cancer Research at the Massachusetts Institute of Technology.

Dr. Sharp has served as one of our directors since the Merger, co-founded Biogen, Inc. in 1978, and served as a director of Biogen, Inc. from 1982 until the Merger. Dr. Sharp is also a director of Magen BioSciences, Inc., a pharmaceutical development company focused on dermatological disorders, and co-founder, director and Chairman of the Scientific Advisory Board of Alnylam Pharmaceuticals, Inc., a biopharmaceutical development company.

Dr. Sharp is a Nobel Laureate and a recipient of the National Medal of Science.

## **Corporate Governance**

**Corporate Governance Principles and Related Documents.** Our Corporate Governance Principles are posted on [www.biogenidec.com](http://www.biogenidec.com) in the Company section under Corporate Governance. Also posted on [www.biogenidec.com](http://www.biogenidec.com) under Corporate Governance are the charters of the Compensation and Management Development, Corporate Governance, Finance and Audit, and Transaction Committees of our Board of Directors and our Finance and Audit Committee Practices which describe the key practices utilized by the Finance and Audit Committee in undertaking its functions and responsibilities.

## **Director Independence**

**Board of Directors.** Our Board of Directors has determined that all of our directors and nominees for director, other than Mr. Mullen, our Chief Executive Officer and President, and Dr. Pickett, our President of Research and Development, satisfy the independence requirements of The NASDAQ Stock Market, Inc., or NASDAQ. Our independent directors also included Thomas F. Keller, who retired from our Board of Directors following our 2008 annual meeting of stockholders. In determining that Dr. Dekkers is independent, our Board of Directors considered that while Thermo Fisher Scientific is a supplier to Biogen Idec, the volume of business between the two companies amounts to less than 1% of the revenues of each company, and Dr. Dekkers owns less than 1% of the stock of Thermo Fisher Scientific. In determining that Dr. Glassberg is independent, our Board of Directors considered the fact that during 2006 Dr. Glassberg accepted a position as medical director at a company that is a potential competitor of the Company, but with which the Company has no transactions or arrangements. In determining that Dr. Papadopoulos is independent, our Board of Directors considered the fact that Dr. Papadopoulos is a director and co-founder of three companies that are potential competitors of the Company, but with which the Company has no transactions or arrangements, and that Dr. Papadopoulos is affiliated with three organizations that received payments for services or charitable contributions from Biogen Idec during the past three years that amounted to less than \$200,000 each year. In determining that Dr. Sharp is independent, our Board of Directors evaluated a September 2006 transaction involving a collaboration agreement with Alnylam Pharmaceuticals, Inc. related to the discovery and development of RNAi therapeutics for the potential treatment of progressive multifocal leukoencephalopathy. Dr. Sharp is a founder and director of Alnylam Pharmaceuticals, but he is not an executive officer or significant stockholder. Dr. Sharp did

not participate in our Board's discussion and vote on the Alnylam Pharmaceuticals agreement, nor was he involved in the transaction on Alnylam Pharmaceutical's behalf.

*Committees.* The committees of our Board of Directors consist solely of independent directors, as defined by NASDAQ. The members of our Finance and Audit Committee also meet the additional SEC and NASDAQ independence and experience requirements applicable specifically to members of the Finance and Audit Committee. Our Board has identified Ms. Leaming and Mr. Best as our audit committee financial experts. In addition, all of the members of our Compensation and Management Development Committee are non-employee directors

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within the meaning of the rules of Section 16 of the Securities Exchange Act of 1934, as amended (the Securities Exchange Act ), and outside directors for purposes of Section 162(m) of the Internal Revenue Code. The composition of the committees is set forth below under Information about our Board of Directors and its Committees Composition of Committees and Information about Meetings.

**Meetings of Independent Directors; Independent Chairman.** Independent directors are required to meet without management present twice each year. Independent directors may also meet without management present at such other times as determined by our Chairman of the Board or if requested by at least two other directors. Mr. Ross, who is not an employee, has served as our Chairman of the Board since December 2005. In 2008, our independent directors met without management present nine times. Our Chairman of the Board presides at such meetings and performs such other functions as our Board of Directors may direct, including advising on the selection of committee chairs and advising management on the agenda of meetings of our Board of Directors. In the absence of a non-employee Chairman of the Board, the chair of our Corporate Governance Committee performs the functions otherwise assigned to the Chairman of the Board.

## **Information about our Board of Directors and its Committees**

### **Committees**

Our Board of Directors has four standing committees: a Compensation and Management Development Committee, a Corporate Governance Committee (includes nominating functions), a Finance and Audit Committee, and a Transaction Committee.

Our Compensation and Management Development Committee assists our Board of Directors with its overall responsibility relating to compensation and management development, including recommending the compensation of our Chief Executive Officer to our Board of Directors for approval, approval of compensation for our other executive officers, administration of our equity-based compensation plans and oversight of our talent management strategy and executive development programs (including senior level succession plans), and, together with our Corporate Governance Committee, recommending the compensation of our independent directors and Chairman. The report of the Compensation and Management Development Committee appears on page 37 of this Proxy Statement.

Our Corporate Governance Committee assists our Board of Directors in assuring sound corporate governance practices, identifying qualified individuals to consider for service on our Board of Directors, recommending qualified nominees to our Board of Directors and its committees, and, together with our Compensation and Management Development Committee, recommending the compensation of our independent directors and Chairman.

Our Finance and Audit Committee assists our Board of Directors in its oversight of the integrity of our financial statements, compliance with legal and regulatory requirements, the performance of our internal audit function and our accounting and financial reporting processes. Our Finance and Audit Committee has the sole authority and responsibility to select, evaluate, compensate and replace our independent registered public accounting firm. The report of the Finance and Audit Committee appears on page 13 of this Proxy Statement.

Our Transaction Committee assists our Board of Directors by providing oversight of the Company's corporate development, business development and new ventures transaction activities and making recommendations to our Board of Directors regarding transactions requiring action by our Board of Directors.



**Table of Contents****Composition of Committees and Information about Meetings**

The composition of the standing committees of our Board of Directors as of April 1, 2009 and the number of times that each committee met in 2008 are set forth in the following table:

<b>Committee</b>	<b>Members</b>	<b>Number of Meetings</b>
Compensation and Management Development Committee	William D. Young (Chair) Marijn E. Dekkers Alan B. Glassberg Lynn Schenk	8
Corporate Governance Committee	Bruce R. Ross (Chair) Alan B. Glassberg Lynn Schenk Phillip A. Sharp	7
Finance and Audit Committee	Nancy L. Leaming (Chair) Lawrence C. Best Robert W. Pangia Brian S. Posner	10
Transaction Committee	Robert W. Pangia (Chair) Lawrence C. Best Stelios Papadopoulos Phillip A. Sharp William D. Young	4

Our Board of Directors met 23 times in 2008. No director attended fewer than 75% of the total number of meetings of our Board of Directors and the committees on which he or she served during 2008.

**Information About our Nominating Processes**

Our Corporate Governance Committee is responsible for leading the search for individuals qualified to become members of our Board of Directors, including the review of candidates recommended by stockholders. Our Corporate Governance Committee has the authority to retain a search firm to assist in performing this role. Stockholders may recommend nominees for consideration by our Corporate Governance Committee by submitting the names and supporting information to: Biogen Idec Inc., Attention: Corporate Secretary, 14 Cambridge Center, Cambridge, Massachusetts 02142. Any such recommendation should include at a minimum the name(s) and address(es) of the stockholder(s) making the recommendation and appropriate biographical information for the proposed nominee(s). Candidates who are recommended by stockholders will be considered on the same basis as candidates from other sources. For all potential candidates, our Corporate Governance Committee will consider all factors it deems relevant, including at a minimum those listed under **Director Qualification Standards** on page 13. Director nominations are recommended by our Corporate Governance Committee to our Board of Directors and must be approved by a majority of independent directors.

In addition, our Bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to our Board of Directors at an annual meeting of stockholders. In order to nominate a director candidate for election at our 2010 annual meeting of stockholders, a stockholder must give timely notice in

writing to our Secretary at our principal executive offices and otherwise comply with the provisions of our Bylaws. To be timely, our Bylaws provide that we must have received a stockholder's notice not less than 90 days and not more than 120 days in advance of the anniversary of the date our proxy statement was released to the stockholders in connection with the previous year's annual meeting of stockholders. However, in the event that no annual meeting of stockholders was held in the previous year or the date of the annual meeting of stockholders has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, we must receive a stockholder's notice not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting of stockholders and not later than the close of business on the later of (i) the 90th day prior to such annual meeting of stockholders and (ii) the 10th day following the day on which public announcement of the date of such annual meeting of stockholders is first made. Information required by the Bylaws to be in the notice includes, among other things, the name, contact information and security ownership information

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for the candidate and the person making the nomination, any voting commitment by the candidate, whether the person making the nomination is part of a group that intends to deliver a proxy statement or solicit proxies, and other information about the nominee that must be disclosed in proxy solicitations under Section 14 of the Securities Exchange Act and the related rules and regulations under that Section. Our Corporate Governance Committee may also require any proposed nominee to furnish such other information as may be reasonably required to determine the eligibility of such proposed nominee to serve as our director.

## **Director Qualification Standards**

Our directors should possess the highest personal and professional ethics and integrity, understand and be aligned with our core values, and be committed to representing the long-term interests of our stockholders. Our directors must also be inquisitive and objective and have practical wisdom and mature judgment. We endeavor to have a Board of Directors representing diverse experience at strategic and policy-making levels in business, government, education, healthcare, science and technology, and the international marketplace.

Our directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serving on our Board of Directors for an extended period of time.

We ask directors who also serve in full-time positions with another company not to serve on more than two boards of public companies in addition to our Board of Directors (excluding their own company) and other directors not to serve on more than six boards of public companies in addition to ours.

Our Board of Directors does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be re-nominated. Regular evaluations are an important determinant for continued tenure. Our Corporate Governance Principles provide that directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities or any circumstances that may adversely affect their ability to carry out their duties and responsibilities effectively. Our directors are also expected to offer their resignation to the Board of Directors effective at the annual meeting of stockholders in the year of their 75th birthday.

## **Stockholder Communications to the Board**

Generally, stockholders who have questions or concerns should contact our Investor Relations department at (617) 679-2812. However, stockholders who wish to address questions or concerns regarding our business directly with our Board of Directors, or any individual director, should direct questions in writing to Biogen Idec Inc., Attention: Corporate Secretary, 14 Cambridge Center, Cambridge, Massachusetts 02142 or by e-mail to [stockholder.letter@biogenidec.com](mailto:stockholder.letter@biogenidec.com). Questions and concerns will be forwarded directly to the appropriate individual(s).

## **Attendance at Annual Meetings**

We expect all of our directors and director nominees to attend our annual meetings of stockholders. All of our directors attended our 2008 annual meeting of stockholders.

## **Compensation Committee Interlocks and Insider Participation**

During 2008, Messrs. Dekkers and Young, Dr. Glassberg and Ms. Schenk served on the Compensation and Management Development Committee and were independent directors during such service.

**Finance and Audit Committee Report**

The Finance and Audit Committee's role is to act on behalf of our Board of Directors in the oversight of all aspects of Biogen Idec's financial reporting, internal control and audit functions. The Finance and Audit Committee has the sole authority and responsibility to select, evaluate, compensate and replace our independent registered public accounting firm. The roles and responsibilities of the Finance and Audit Committee are set forth in the Finance and Audit Committee's written charter adopted by our Board of Directors, which is posted on



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*www.biogenidec.com* in the Company section under Corporate Governance. Management has primary responsibility for the financial statements and the reporting process, including the systems of internal controls.

In fulfilling its oversight responsibilities, the Finance and Audit Committee reviewed and discussed with management the audited consolidated financial statements contained in Biogen Idec's 2008 Annual Report on Form 10-K. The Finance and Audit Committee discussed with PricewaterhouseCoopers LLP, Biogen Idec's independent registered public accounting firm, the overall scope and plans for its audit. The Finance and Audit Committee met with PricewaterhouseCoopers, with and without management present, to discuss the results of its examination, management's response to any significant findings, its observations of Biogen Idec's internal controls, the overall quality of Biogen Idec's financial reporting, the selection, application and disclosure of critical accounting policies, new accounting developments and accounting-related disclosure, the key accounting judgments and assumptions made in preparing the financial statements and whether the financial statements would have materially changed had different judgments and assumptions been made, and other pertinent items related to Biogen Idec's accounting, internal controls and financial reporting. The Finance and Audit Committee also discussed with representatives of Biogen Idec's corporate internal audit staff their purpose and authority and their audit plan.

The Finance and Audit Committee also reviewed and discussed with PricewaterhouseCoopers the matters required to be discussed with the Finance and Audit Committee under generally accepted auditing standards (including Statement on Auditing Standards No. 61, as amended). In addition, the Finance and Audit Committee discussed with PricewaterhouseCoopers the independence of PricewaterhouseCoopers from management and Biogen Idec, including the written disclosures and letter concerning independence received from PricewaterhouseCoopers required by applicable requirements of the Public Company Accounting Oversight Board. The Finance and Audit Committee has determined that the provision of non-audit services to Biogen Idec by PricewaterhouseCoopers is compatible with its independence.

During 2008, the Finance and Audit Committee provided oversight and advice to management in connection with Biogen Idec's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. In connection with this oversight, the Finance and Audit Committee reviewed a report by management on the effectiveness of Biogen Idec's internal control over financial reporting. The Finance and Audit Committee also reviewed PricewaterhouseCoopers' Report of Independent Registered Public Accounting Firm included in Biogen Idec's 2008 Annual Report on Form 10-K for the fiscal year ended December 31, 2008 related to its audit of the effectiveness of internal control over financial reporting.

In reliance on these reviews and discussions, the Finance and Audit Committee recommended to our Board of Directors that the audited consolidated financial statements be included in Biogen Idec's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 for filing with the SEC.

Submitted by the Finance and Audit Committee of the Board of Directors:

Nancy L. Leaming (Chair)  
Lawrence C. Best  
Robert W. Pangia  
Brian S. Posner

**Table of Contents****PROPOSAL 2****RATIFICATION OF THE SELECTION OF OUR  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our Finance and Audit Committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009. PricewaterhouseCoopers served as our independent registered public accounting firm in connection with the audit for the fiscal year ended December 31, 2008. If our stockholders do not ratify the selection of PricewaterhouseCoopers as our independent registered public accounting firm, our Finance and Audit Committee will reconsider its selection. Representatives of PricewaterhouseCoopers will attend the Annual Meeting, have the opportunity to make a statement if they so desire, and be available to respond to appropriate questions.

**Audit and Other Fees**

The following table shows fees for professional audit services billed to us by PricewaterhouseCoopers for the audit of our annual consolidated financial statements for the years ended December 31, 2008 and December 31, 2007, and fees billed to us by PricewaterhouseCoopers for other services provided during 2008 and 2007:

<b>Fees</b>	<b>2008</b>	<b>2007</b>
Audit fees	\$ 3,584,320	\$ 3,790,790
Audit-related fees	71,901	43,400
Tax fees	2,348,734	1,280,226
All other fees	110,630	68,900
<b>Total</b>	<b>\$ 6,115,585</b>	<b>\$ 5,183,316</b>

*Audit fees* are fees for the audit of our 2008 and 2007 consolidated financial statements included in our Annual Reports on Form 10-K, reviews of consolidated financial statements included in our Quarterly Reports on Form 10-Q, review of the consolidated financial statements incorporated by reference into our Registration Statements on Form S-3 and Form S-8, and statutory audit fees in overseas jurisdictions.

*Audit-related fees* are fees that principally relate to assurance and related services that are reasonably related to the performance of the audits and reviews of our consolidated financial statements, including audits of employee benefit plan information.

*Tax fees* are fees for tax compliance, expatriate tax services and planning services.

*All other fees* are fees that principally relate to audit procedures performed in connection with one of our collaboration agreements, and educational resources.

Our Finance and Audit Committee has considered the provision of the non-audit services by PricewaterhouseCoopers described above and has determined that the provision of such services is compatible with maintaining PricewaterhouseCoopers independence.

**Policy on Pre-Approval of Audit and Non-Audit Services**

Our Finance and Audit Committee has the sole authority to approve the scope of the audit and any audit-related services as well as all audit fees and terms. Our Finance and Audit Committee must pre-approve any audit and non-audit services provided by our independent registered public accounting firm. Our Finance and Audit Committee will not approve the engagement of the independent registered public accounting firm to perform any services that the independent registered public accounting firm would be prohibited from providing under applicable securities laws or NASDAQ requirements. In assessing whether to approve the use of our independent registered public accounting firm to provide permitted non-audit services, our Finance and Audit Committee tries to minimize relationships that could appear to impair the objectivity of our independent registered public accounting firm. Our Finance and Audit Committee will approve permitted non-audit services by our independent registered public accounting firm only when it will be more effective or economical to have such services provided by our independent registered public accounting firm than another firm.

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The Finance and Audit Committee annually reviews and pre-approves the audit, audit-related, tax, and other permissible non-audit services that can be provided by the independent auditor. Any proposed services exceeding pre-set levels or amounts will require separate pre-approval by the Finance and Audit Committee, although the Chief Accounting Officer can approve up to an additional \$50,000 in the aggregate per calendar year for categories of services that the Finance and Audit Committee has pre-approved. In addition, any pre-approved services for which no pre-approved cost level has been set or which would exceed the pre-approved cost by an amount that would cause the aggregate \$50,000 amount to be exceeded must be separately pre-approved by the Finance and Audit Committee.

Our Finance and Audit Committee has delegated pre-approval authority for non-audit services to the chair of our Finance and Audit Committee within the guidelines discussed above. The chair of the Finance and Audit Committee is required to inform our Finance and Audit Committee of each decision to permit our independent registered public accounting firm to perform non-audit services at the next regularly scheduled Finance and Audit Committee meeting.

All of the services provided by PricewaterhouseCoopers during 2008 were pre-approved in accordance with this policy.

**THE FINANCE AND AUDIT COMMITTEE OF OUR BOARD OF DIRECTORS RECOMMENDS RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2009.**

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**PROPOSAL 3**

**APPROVAL OF BYLAW AMENDMENTS TO  
IMPLEMENT MAJORITY VOTING IN UNCONTESTED DIRECTOR ELECTIONS**

Our Board of Directors recommends that our stockholders approve our proposal to amend our Bylaws (1) to require that in uncontested elections directors will be elected by a majority vote, (2) to require each director to submit a conditional, irrevocable resignation that would become effective upon that director's failure to receive the required number of votes for reelection, and (3) to require our Board of Directors to determine whether to accept or reject such a resignation within 90 days from the date of the certification of election results and to disclose publicly its decision. In contested elections, the voting standard would continue to be a plurality of votes cast.

**Current Standard**

Delaware law provides that, unless otherwise specified in a company's certificate of incorporation or bylaws, directors are elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Our Bylaws currently include this plurality standard for elections of directors by stockholders. Under this standard, director nominees with the most votes cast in their favor are elected, up to the number of directors to be elected at a meeting, notwithstanding any withheld votes.

**Description of Proposed Amendments**

The proposed amendments to our Bylaws are set forth in Appendix A to this Proxy Statement.

Our Board of Directors recommends that our Bylaws be amended to change the voting standard for the election of directors in uncontested elections from a plurality standard to a majority standard. Under the proposed majority standard, in order to be elected in an uncontested election, a director nominee must receive the affirmative vote of a majority of the votes cast in person or by proxy at the annual meeting of stockholders. Under Delaware law, an incumbent director who fails to receive the vote required for reelection holds over, or continues to serve as a director until his or her successor is elected and qualified, or until his or her earlier resignation or removal. To address the hold over issue, the proposed Bylaw amendments prohibit our Board of Directors from nominating as a candidate for director or appointing to our Board of Directors any person who has not agreed to tender, promptly following his or her election or appointment, an irrevocable resignation that would be effective upon the failure to receive the required number of votes for reelection at the next annual meeting of stockholders at which he or she faces reelection and our Board of Directors' acceptance of such resignation. Under the proposed Bylaw amendments, our Board of Directors must determine whether to accept or reject the resignation within 90 days from the date of the certification of election results and must publicly disclose its decision. In contested elections (where the number of nominees exceeds the number of directors to be elected), the plurality standard would continue to apply and the nominees receiving the most votes would be elected.

If these amendments to the Bylaws are not approved, the existing plurality voting standard in the Bylaws will remain in effect.

**Reasons for Recommendation**

In recent years, stockholders of many public companies have urged that directors be required to receive a majority of the votes cast in favor of their election, rather than be elected under the plurality voting standard. Delaware law was

recently changed to facilitate this trend toward the majority standard and provide a mechanism to address the hold over of incumbent directors who fail to obtain the votes necessary for reelection. In response, a number of public companies have adopted charter or bylaw provisions requiring a majority vote in uncontested elections, or a bylaw or policy requiring a director who does not receive such a majority to submit his or her resignation from the board of directors. Such a post-election resignation policy or bylaw is designed to address what happens to a director who failed to receive sufficient votes for reelection but who, under state law, would otherwise remain in office until his or her successor is elected at the next annual meeting of stockholders, or until his or her earlier resignation or removal.

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In furtherance of our commitment to strong corporate governance and to ensuring that stockholders are afforded a meaningful role in the election of directors, our Board of Directors has approved and recommends that our stockholders vote in favor of the proposed amendments to our Bylaws, set forth in Appendix A to this Proxy Statement, to implement a majority voting standard in uncontested elections and to require conditional resignations from all directors.

Our Board of Directors is aware that the current plurality standard provides greater certainty that the annual election of directors by stockholders will result in a full Board of Directors, and that the proposed change to a majority voting standard would not have had any effect on our election of directors in the recent past because director nominees have received votes exceeding a majority of the votes cast by a substantial margin. However, our Board of Directors believes that a majority voting standard for uncontested elections will give stockholders a greater voice in and responsibility for the election of our directors. Our Board of Directors also recognizes that a majority voting standard will preclude the election of directors who do not have broad acceptance among our stockholders and may enhance each director's accountability to our stockholders. As a result, our Board of Directors has determined that a majority voting standard for uncontested elections for directors would be in the best interest of the Company and our stockholders.

**Effectiveness of Amendments**

If approved, the amendments to our Bylaws would be effective immediately. The new majority voting standard would then be applicable to the election of our directors at the 2010 annual meeting of stockholders (if uncontested) and to any earlier uncontested election of directors occurring after these amendments become effective.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE AMENDMENTS TO THE COMPANY'S BYLAWS TO IMPLEMENT MAJORITY VOTING IN UNCONTESTED DIRECTOR ELECTIONS.**

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**PROPOSAL 4**

**THE ICAHN BYLAW PROPOSAL**

On February 5, 2009, the Company received notice from the Icahn Entities, which together with Carl C. Icahn are the beneficial owners of 16,075,256 shares, or 5.6%, of the Company's common stock as of such date, of their intention to present to the Company's stockholders at the Annual Meeting the following proposal to amend our Bylaws:

To replace the first sentence of Section 3.1 in its entirety with the following sentence: The number of directors that shall constitute the entire Board shall be thirteen (13).

To delete the first sentence of Section 3.2 in its entirety.

To delete the words "and newly created directorships resulting from any increase in the authorized number of directors", appearing in the second sentence of Section 3.2 in their entirety.

Under Article V of our certificate of incorporation, no amendment or supplement to the Bylaws adopted by our Board of Directors can conflict with any amendment adopted by the stockholders. Therefore, if the Icahn Bylaw Proposal were adopted by the stockholders of the Company, our Board of Directors would no longer have authority to amend such provisions of the Bylaws and thus would no longer have the ability to fix the number of directors.

While the approval of the Icahn Bylaw Proposal would provide certainty to stockholders with respect to the number of directors on our Board of Directors, such approval would have several detrimental effects.

Under the current Bylaws of the Company, our Board of Directors has the flexibility to add or remove director positions if it determines that such addition or removal would be in the best interests of the Company and its stockholders. Recruiting qualified candidates is a challenging and time-consuming process, and our Board of Directors believes that it is in the best interests of the Company's stockholders to retain the ability of our Board of Directors to either increase the size of our Board of Directors to add a highly-qualified candidate if such a candidate becomes available or decrease the size of our Board of Directors in a year when no such candidate is readily available.

For example, in July 2008 our Corporate Governance Committee identified Brian S. Posner as a highly qualified individual and recommended him for membership on our Board of Directors. Our Board of Directors considered the recommendation and determined that it was in the best interests of our stockholders to expand the size of our Board of Directors and to appoint Brian S. Posner to the resulting vacancy as a Class 1 Director. If the Icahn Bylaw Proposal were approved, our Board of Directors would not have the ability to add such a highly qualified candidate, even if our Board of Directors believed that doing so would be in the best interests of our stockholders. In addition, in the event that a member of our Board of Directors retires, resigns or is not re-elected, our Board of Directors could determine not to fill the resulting vacancy, depending on the availability of suitable candidates. However, if the Icahn Bylaw Proposal were approved, our Board of Directors would be forced to fill the vacancy regardless of the availability of qualified candidates.

Our Board of Directors believes that retaining the ability to increase or decrease the size of our Board of Directors or appoint any particular person to our Board of Directors, if appropriate, continues to be in the best interests of the Company's stockholders.



If you return a signed **WHITE** proxy card without providing voting instructions, your shares will be voted against the Icahn Bylaw Proposal.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE AGAINST THE ICAHN BYLAW PROPOSAL.**

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**PROPOSAL 5**

**THE ICAHN NORTH DAKOTA PROPOSAL**

On February 5, 2009, the Company received notice from the Icahn Entities, which together with Carl C. Icahn are the beneficial owners of 16,075,256 shares, or 5.6%, of the Company's Common Stock as of such date, of their intention to present to the Company's stockholders at the Annual Meeting the following proposal to reincorporate in North Dakota and become subject to the North Dakota Law:

RESOLVED, that the stockholders of the Corporation hereby request the Board of Directors of the Corporation to take all action as is necessary and appropriate to properly initiate and complete the process to change the Corporation's jurisdiction of incorporation from Delaware to North Dakota and to become subject to the North Dakota Publicly Traded Corporations Act.

In their notice, the Icahn Entities make unsubstantiated claims about the benefits of reincorporating in North Dakota without addressing any of the disadvantages. Our Board of Directors believes that it can continue to implement effective corporate governance principles without incurring the costs and disadvantages of reincorporating in North Dakota. Stockholders should be aware that none of the Icahn Entities are incorporated in North Dakota or subject to the North Dakota Law.

**Our Board of Directors is dedicated to effective corporate governance and can implement sound governance measures without reincorporating the Company in North Dakota**

Our Board of Directors seeks to follow best practices in corporate governance in a manner that is in the best interests of our business and stockholders. Our Board of Directors regularly reviews ongoing developments in corporate governance and implements changes to our policies and practices when it is prudent to do so. Several recent examples highlight our Board of Directors' commitment to effective corporate governance and responsiveness to stockholder issues:

Our Board of Directors recently acted to terminate our poison pill.

Our Board of Directors is recommending in this Proxy Statement Bylaw amendments to provide for majority voting for directors in uncontested elections.

Our Board of Directors is subject to stock ownership guidelines and recently adopted stock ownership guidelines for our executive officers.

In addition to these recent corporate governance initiatives, our Board of Directors has for some time maintained other corporate governance practices consistent with the North Dakota Law. For example, the Company has had an independent Chairman of the Board separate from the Chief Executive Officer since December 2005. In addition, the Company's stockholders have the ability to act by written consent. Furthermore, by virtue of being listed on NASDAQ, stockholder approval is required upon the issuance of voting equity greater than 20% of the Company's outstanding common stock and our Board of Directors is prohibited from changing its size if a contested election is anticipated. All of these practices are consistent with the North Dakota Law and demonstrate that our Board of Directors is already committed to strong corporate governance.

The North Dakota Law is essentially a catalogue of corporate governance principles characterized by some commentators as best practices. There is no consensus, however, that all of the corporate governance principles mandated by the North Dakota Law are in fact best practices. Furthermore, the North Dakota Law would not provide our Board of Directors with any flexibility in determining which of its numerous governance measures the Company should adopt.

Our Board of Directors believes that the Company does not have to reincorporate in North Dakota in order to follow effective corporate governance principles.

**Reincorporating involves substantial costs and disadvantages**

There are substantial liabilities and expenses associated with reincorporation, which, in the current challenging economic environment, would be unnecessary and detrimental to our business. A reincorporation would require,

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among other things, that we analyze all of the Company's agreements and governmental permits in order to determine whether a reincorporation transaction would require the consent of third parties (including our collaboration partners) or applicable governmental agencies. We would not be certain to obtain any required consents. Although we have not undertaken the costly analysis of all of our agreements and permits at this time, we know that at a minimum a reincorporation transaction would require the consent of our lenders. Similarly, we know that we would have to prepare costly filings with the SEC. Furthermore, a reincorporation process would divert the time and attention of our Board of Directors and management from our business without any apparent commensurate benefits.

**The North Dakota Law is untested and unpredictable**

North Dakota is not a well-known jurisdiction for business corporations. The North Dakota Law was passed in April 2007 and there are no reported cases interpreting the North Dakota Law. Our Board of Directors notes that, as of the date of this Proxy Statement, there appear to be only two publicly-traded companies incorporated in North Dakota and neither has elected to be governed by the North Dakota Law, while more than 50% of all U.S. publicly traded companies are incorporated in Delaware. Of the Fortune 500 companies, over 60% are incorporated in Delaware; many of the rest of the Fortune 500 are incorporated in their home states and there are currently no Fortune 500 companies incorporated in North Dakota. Reincorporating in a jurisdiction that is largely unproven and unfamiliar may adversely affect investor interest, director recruitment and commercial relationships.

On the other hand, Delaware—the Company's current jurisdiction of incorporation—is a proven and familiar jurisdiction for business corporations. The General Corporation Law of the State of Delaware is a well-developed, comprehensive and flexible corporate statute that can accommodate changing business circumstances and is responsive to the needs of stockholders. Delaware has an established and sophisticated legal infrastructure, including a separate court system devoted solely to corporate and business matters. That court system, and the large body of corporate law it has developed, provides companies and stockholders alike with a high degree of predictability over the broad range of legal issues facing business today. Our Board of Directors believes that the capital markets are familiar with the requirements and interpretations of Delaware corporate law and that the Company and our stockholders benefit from this familiarity.

For all the reasons stated above, any perceived gains do not outweigh the significant costs and uncertainties associated with the Company reincorporating in North Dakota.

If you return a signed **WHITE** proxy card without providing voting instructions, your shares will be voted against the Icahn North Dakota Proposal.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE AGAINST THE ICAHN NORTH DAKOTA PROPOSAL.**

**Table of Contents****STOCK OWNERSHIP****Ownership Table**

The following table and accompanying notes provide information about the beneficial ownership of our outstanding common stock as of March 30, 2009 by:

each stockholder known by us to be the beneficial owner of more than 5% of our common stock;

each of our named executive officers (listed in the Summary Compensation Table);

each of our current directors and nominees for Class 3 director; and

all of our current directors and executive officers as a group.

Except as otherwise noted, the persons identified have sole voting and investment power with respect to the shares of our common stock beneficially owned. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to the shares. Shares subject to exercisable options include options that are currently exercisable or exercisable within 60 days of March 30, 2009. Shares subject to restricted stock units, or RSUs, include RSUs that vest within 60 days of March 30, 2009.

Name of Beneficial Owner**	Common Stock Beneficially Owned(1)		
	Shares Beneficially Owned	Shares Subject to Exercisable Options and RSUs	Percentage of Outstanding Shares
ClearBridge Advisors, LLC(2) 620 8th Avenue New York, NY 10018	27,487,631	0	9.5%
FMR LLC(3) 82 Devonshire Street Boston, MA 02109	24,606,905	0	8.5%
PRIMECAP Management Company(4) 225 South Lake Avenue, Suite 400 Pasadena, CA 91101	24,882,512	0	8.6%
Carl C. Icahn(5) c/o Icahn Associates Corp. 767 Fifth Avenue, Suite 4700 New York, NY 10153	16,075,256	0	5.6%
Lawrence C. Best	3,550	69,575	*
Paul J. Clancy	6,112	101,193	*
Marijn E. Dekkers	2,300	17,617	*
Alan B. Glassberg	3,500	81,575	*
Robert A. Hamm	3,500	42,755	*

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Hans Peter Hasler(6)	8,695	59,542	*
Nancy L. Leaming	510	13,867	*
James C. Mullen(7)	222,037	1,394,025	*
Robert W. Pangia	4,050	111,575	*
Stelios Papadopoulos	0	0	*
Cecil B. Pickett	50,034	0	*
Brian S. Posner	0	0	*
Bruce R. Ross	5,010	71,275	*
Lynn Schenk(8)	5,550	46,575	*
Phillip A. Sharp	465,983	98,325	*
William D. Young	3,550	81,575	*
Current executive officers and directors as a group (18 persons)(9)	794,754	2,311,074	1.1%

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- \* Represents beneficial ownership of less than 1% of our outstanding shares of common stock.
- \*\* Addresses are given only for beneficial owners of more than 5% of our outstanding shares of common stock.
- (1) The calculation of percentages is based upon 288,350,764 shares outstanding at March 30, 2009, plus shares subject to options and RSUs held by the respective person that are currently exercisable or become exercisable within 60 days of March 30, 2009.
- (2) Information in the table and this footnote is based solely upon information contained in a Schedule 13G/A filed with the SEC by ClearBridge Advisors, LLC on February 13, 2009. As of December 31, 2008, ClearBridge Advisors, LLC had sole dispositive power over 27,487,631 shares and sole voting power over 22,119,534 shares.
- (3) Information in the table and this footnote is based solely upon information contained in a Schedule 13G/A filed with the SEC by FMR LLC, Edward C. Johnson, III and Fidelity Management & Research Company on February 17, 2009. As of December 31, 2008, FMR LLC and Edward C. Johnson, III each had sole dispositive power over 24,606,905 shares and FMR LLC had sole voting power over 1,153,301 shares.
- (4) Information in the table and this footnote is based solely upon information contained in a Schedule 13G/A filed with the SEC by PRIMECAP Management Company on February 12, 2009. As of December 31, 2008, PRIMECAP Management Company had sole dispositive power over 24,882,512 shares and sole voting power over 5,143,085 shares.
- (5) Information in the table and this footnote is based solely upon information contained in a Schedule 13D/A filed with the SEC on February 6, 2009 by Carl C. Icahn, the Icahn Entities and certain other entities affiliated with Carl C. Icahn. As of December 31, 2008, Carl C. Icahn had shared dispositive power and shared voting power over 16,075,256 shares.
- (6) Mr. Hasler, a named executive officer for 2008, resigned as Chief Operating Officer effective March 30, 2009.
- (7) Includes 148,960 shares held in trusts of which Mr. Mullen is the trustee.
- (8) Includes 5,550 shares held in a trust of which Ms. Schenk is the trustee.
- (9) Includes 154,970 shares held indirectly (by spouse or through trust, partnership or otherwise).

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act requires our executive officers, directors and greater-than-ten-percent stockholders to file initial reports of ownership and changes of ownership. As a practical matter, we assist our directors and executive officers by monitoring transactions and completing and filing Section 16 forms on their behalf. Based solely on information provided to us by our directors and executive officers, we believe that, during 2008, all such parties complied with all applicable filing requirements.

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**EXECUTIVE COMPENSATION AND RELATED INFORMATION**

**COMPENSATION DISCUSSION AND ANALYSIS**

**Introduction and Corporate Governance**

Our Compensation and Management Development Committee (which is referred to in this section of the proxy statement as the Committee or as the Compensation Committee) oversees and administers our executive compensation programs. The Committee's complete roles and responsibilities are set forth in the written charter adopted by the Board of Directors, which can be found at [www.biogenidec.com](http://www.biogenidec.com) under Corporate Governance. The Board of Directors selected the following directors to serve on the Committee: William D. Young (Chair), Marijn E. Dekkers, Alan B. Glassberg and Lynn Schenk. Each of these individuals satisfies the independence requirements of NASDAQ.

The Committee meets at regularly scheduled times during the year and on an ad hoc basis as business needs necessitate. In 2008, the Committee met for five regularly scheduled meetings and held three ad hoc meetings. As part of his duties, the Committee Chair reports on Committee actions and recommendations to the Board of Directors. In addition to the assistance provided by Biogen Idec's internal Compensation and Benefits group, the Committee has retained Watson Wyatt Worldwide (Watson Wyatt) as outside advisors to the Committee. Watson Wyatt reports directly to the Committee and provides guidance on matters including trends in executive and non-employee director compensation, the development of specific executive compensation programs and other matters as directed by the Committee. During 2008, a Watson Wyatt affiliate provided actuarial services with respect to our pension plan in Germany; this service was a continuation of a pre-existing business relationship between our German affiliate and a company that was acquired by Watson Wyatt. Other than this matter, Watson Wyatt does not provide any other services to Biogen Idec.

**Highlights of Our 2008 Performance and Changes to Our 2009 Programs**

Despite a challenging economic environment and a period of business uncertainty arising from activist stockholder activity during 2008, we significantly exceeded our 2008 performance goals, as detailed on page 31. Specifically, we achieved:

29% growth in revenue over 2007, with 2008 annual revenue of \$4.1B;

34% growth in non-GAAP diluted earnings per share (EPS) over 2007, with 2008 non-GAAP diluted EPS of \$3.66; and

significant progress on our product pipeline, with a number of key milestones achieved.

This high level of performance resulted in above-target payments under our Annual Cash Incentive Plan and 2008 Retention Bonus. Our goal-setting, performance and payment amounts are detailed in this report.

In 2009, we adopted share ownership requirements for our executive officers. We believe that share ownership requirements further strengthen the link our compensation programs create between our executives and our stockholders. This policy provides that each executive officer is to maintain share or share-equivalent holdings as shown in the following table:



	<b>Share Requirement</b>
CEO	75,000
President, Research & Development	18,000
Chief Operating Officer	18,000
Executive Vice Presidents	10,000

The policy became effective for all current executive officers upon its adoption; newly-elected executive officers will have two years from initial election to meet the requirement. All executive officers currently meet the share ownership requirement. The policy includes a provision to require net retention of shares for any executive officer who does not maintain share ownership at or above the policy requirements.

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Beginning in 2009, we introduced performance-vested restricted stock units as a core component of our long-term incentive (LTI) program for all of our executives. The performance-based vesting of these awards, combined with our existing time-vested stock options and restricted stock units, is intended to reinforce the importance of achieving our revenue and earnings measures of Company financial performance. Use of performance-vested LTI awards is increasingly common and a recognized best practice for increasing the proportion of compensation that is considered performance based, while strengthening alignment of our compensation programs with stockholders' interests.

Consistent with our compensation philosophy, we monitor external pay data and adjust our compensation opportunities to reflect our targeted competitive positioning. For 2009, our average base salary increase for all of our executive officers averaged less than 4%. This calculation is prior to Mr. Hamm's promotion to Chief Operating Officer and Mr. Hasler's resignation from that position, both of which were effective March 30, 2009. Based on market benchmark data, we increased the target annual cash incentive opportunities beginning in 2009 for our Chief Operating Officer (from 60% to 75% of annual base salary) and for our Executive Vice Presidents (from 50% to 55% of annual base salary); as a result, our target annual cash incentive opportunities are comparable to the median of our peer group. Based on market benchmark data, we reduced our 2009 LTI grant guidelines for executive officers from our 2008 levels; as a result, our targeted LTI grant values remain comparable to the 60th percentile of our peer group.

## **Executive Compensation Philosophy and Objectives**

Our compensation program for the named executive officers (the individuals named in the Summary Compensation Table) is designed and implemented based on our pay-for-performance compensation philosophy. We place significant emphasis in all of our compensation programs on performance-based pay and on highly differentiated awards based on individual performance and potential to contribute to the long-term success of the Company. We want and need the best people to be excited and motivated to work at Biogen Idec and we believe our compensation program is a key factor in attracting and retaining this talent.

Our compensation, benefits and other workplace programs (our total compensation program) have been selected and designed to achieve the following objectives:

to offer a total compensation opportunity that is competitive with organizations with which we compete for executive talent;

to allow us to attract and retain superior talent that can effectively perform and succeed in our demanding business environment;

to support our meritocracy by ensuring that our top performers receive rewards that are substantially greater than those received by average performers at the same position level; and

to deliver pay in a cost and tax efficient manner that aligns employees' rewards with stockholders' long-term interests.

### ***What is our compensation program designed to reward?***

The compensation program rewards financial, strategic and operational performance that is achieved in a manner consistent with the Company's policies and values. Our success in meeting our compensation objectives depends heavily on our performance management system.

### ***How do goal-setting and performance assessment influence our compensation decisions?***

Our compensation program rewards each executive based on the Company's achievement of Company-wide goals and the executive's achievement of specific individual goals and objectives. Each year, our executives' goals are set to directly support achievement of our Company goals and our Board-approved business plan. The individual

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and Company goals that we set and measure performance against each year, including both 2008 and 2009, can be grouped into the following categories:

Financial goals linked to Company financial performance, such as revenue, EPS and other financial measures such as expense management.

Strategic goals related to each executive's role in furthering the Company's long-term success, such as goals related to the Company's product pipeline or business development.

Operational measures of operational performance, such as our production capacity and capability, the quality and execution of our leadership development program and effective recruitment and retention of talented employees.

The goals we set support our long range plan and reflect an appropriate degree of difficulty of goal attainment. In setting our long range plan and annual goals, we also consider analysts' projections for our Company's performance; analysts' projections for our peers' performance; the broader economic and industry picture; our past variance to targeted performance; our peers' past performance on key financial and operational metrics; and our Board of Directors' expectations. We set challenging goals for the Company and our executives. We select goals that support the interests of our stockholders and patients. We believe that our disciplined approach to goal selection, setting of targets and establishment of payout curves and evaluation of our performance results, combined with our system of internal controls, ensures that we are not encouraging excessive risk-taking or rewarding poor judgment by our executives. This approach is strengthened through Committee review and approval of our goals, targets, payout curves and performance results. We also mitigate risk through share ownership requirements, a cap on our annual cash incentive plan, multi-year vesting of LTI, the mix of types of LTI and our policy on recoupment of compensation.

Our performance management system is rigorous and integrates goal-setting, self-assessment and manager-based assessment of performance and leadership competencies. Results, and how those results are attained, are critically important. We hold our executive officers accountable for how they achieve their results, including leadership effectiveness, impact across the organization and performance and impact relative to the Company's other executive officers. Based on our performance assessments, we develop a relative ranking of our executive officers and then assign overall performance ratings that are used for compensation decision-making. We significantly differentiate compensation based on the executive officers' relative rankings and overall performance ratings to ensure that the highest rewards are delivered to our highest performers. For example, all payments under our Annual Cash Incentive Plan are determined based on both individual and Company performance.

**Table of Contents****Compensation Program Elements and Pay Level Determination*****What is each element of compensation and why is it paid?***

The Committee determines the elements of our compensation program and approves the targeted levels of competitiveness for each element. The compensation program elements and targeted competitiveness relative to our compensation peer group apply to all levels of employees, including our non-executives, executives and executive officers. The Committee has approved the following role and targeted competitiveness for each element of total compensation (discussed in detail beginning on page 29) to promote our pay-for-performance philosophy and compensation program objectives:

<b>Element</b>	<b>Role and Purpose</b>	<b>Targeted Competitiveness</b>
Base Salary	Attract employees and recognize their skills and contributions in the day-to-day management of our business.	Median
Annual Cash Incentives	Motivate the attainment of annual financial, strategic, operational and individual goals that are aligned with and supportive of long-term value creation.	Median
Long-term Incentives (LTI)	Align employees' interests with those of our stockholders. Promote employee retention and stock ownership, and hold employees accountable for enhancing stockholder value. Deliver competitive compensation opportunities in a manner that balances cost and tax efficiency with perceived value by employees.	60th Percentile
Benefits	Non-Retirement Benefits: Promote health, wellness and financial protection in the event of disability or death. Retirement Benefits: Provide efficient ways for employees to electively save towards their retirement, and encourage savings through competitive matches to employees' retirement savings.	Median to 75th Percentile

We do not offer a defined benefit pension to any employees, even though many of our pharmaceutical industry peers provide these benefits. We prefer an LTI program targeted above the median of our peer group rather than a defined benefit pension because it ties the value realized to our share price performance and makes the cost more predictable than the cost of a defined benefit pension.

Each year, the Committee reviews the current compensation program design for its alignment with and support of our pay-for-performance objectives, its overall efficiency and cost-effectiveness, and its design and overall value relative to our peers' practices and general trends. The Committee also discusses program design recommendations and approves changes to ensure that each compensation element and the overall program design are aligned with their role and purpose.

While the general mix of the elements is considered in the design of our total compensation program, the Committee does not target a specific mix of value for our compensation elements in either the program design or pay decisions. To more closely tie